

Yapi Kredi Bank

4Q24 Earnings review

Slight beat. Rather cautious budget

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Yapi Kredi Bank posted TRY6,611mn of net income (+32% QoQ) in its 4Q24 bank-only financial statements. This is 6% and 2% above our TRY6,218mn call and the TRY6,474mn RT consensus estimate, respectively. The bank's 12M profit of TRY29,017mn fell severely by 57% YoY. 12M ROTE declined to 15.8% from 16.4% in 9M24, the lowest level among banks that have disclosed their financials so far, and below the budgeted mid-high 20s%. (GARAN: 32.6%, AKBNK: 19%).

The main drivers of deviation from the estimated figures are: a positive surprise in NII, fees, trading loss, ECL and a negative surprise in OPEX.

The bank stands out with its best-in-class 155bps quarterly recovery in NIM. However, a hefty TRY10.6bn trading loss and soaring operating expenses significantly weighed on profitability. CoR rose amid the elevated (net) NPL formations, especially on the individual side, reaching 58bps on a cumulative basis.

For FY25E, the bank is targeting mid-20s ROTE (Seker: 24%) on the back of;

- 1) < Average inflation TRY loan growth and mid-teens FC loan growth (Seker: 31% and 8%),
- 2) Swap adj. NIM: +300bps (AKBNK: +280bps, GARAN: +300bps, Seker: 300bps),
- 3) Fee growth: 25%-30% (AKBNK: ~40%, GARAN: > Avg CPI, Seker: 35%),
- 4) OPEX growth: <50%, Seker: 42%),
- 5) Total CoR (net, exc. currency impact) of ~150-175bps, vs. 58bps in YE24. (AKBNK: 150-200bps, GARAN: 200-250bps, Seker: 190bps). 2024: 58bps.

On the asset quality side, the bank's expectation of CoR around 150-175bps is optimistic vs. Garanti BBVA's 200-250bps call. Yet expectations of 25%-30% fee and commission growth and mid-20% ROTE is relatively cautious vs. peers and in line with our 24% call for FY25.

There should be a slightly positive market reaction to the results. Our TP of TL49,97 offers 61% upside potential. For 2024, we model 79% earnings growth for the bank. We also maintain our "Outperform" recommendation. The bank is trading at a 2025E P/E of 5.0x and P/BV of 1.08x (2% discount to domestic peers) with a ROAE of 24%.

Rating Outperform
Target price (TRY) 49.47
Upside 61%

Previous rating Outperform
Previous target price (TRY) 49.47

	TRY	US\$
Close	30.72	0.86
BIST 100	10,004	280
US\$/TRY (CBT Bid Rate):	35.72	
52 Week High:	39.46	1.23
52 Week Low:	19.97	0.63
Bloomberg Ticker:	YKBNK.TI	

Number of Shares (Mn):	8,447	
	(TRY Mn)	(US\$ Mn)
Current Mcap:	259,493	7,264
Free Float Mcap:	101,202	2,833
Avg. Daily Volume:	4,661	131

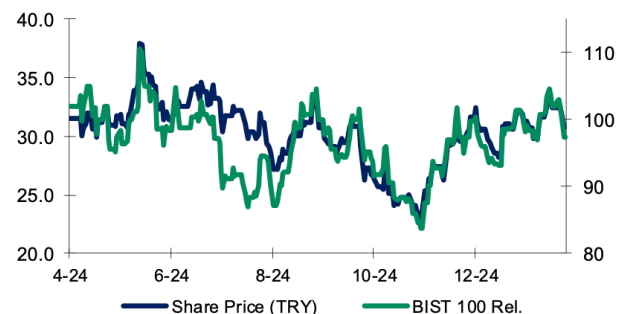
Expectations (TRY Mn)	Actual	Seker	Diff.	Cons.	Diff.
Net income	6,611	6,218	6%	6,474	2%

4Q24	3Q24	4Q24	QoQ	4Q23	YoY
Net income (TRY Mn)	5,001	6,611	32%	19,307	-66%

Forecasts (TRY Mn)	2022A	2023A	2024A	2025E	2026E
Net income	52,745	68,009	29,017	51,912	80,580
BV	126,256	178,852	192,804	240,364	298,158

Valuation	2022A	2023A	2024A	2025E	2026E
P/E (x)	1.9	2.4	8.9	5.0	3.2
P/BV (x)	0.79	0.92	1.35	1.08	0.87
ROAA	5.7%	4.8%	1.4%	1.9%	2.3%
ROAE	55.6%	44.6%	15.6%	24.0%	29.9%

Returns (%)	1 M	3M	6M	12M	YTD
TRY Return:	0.3	25.5	1.7	46.8	0.3
US\$ Return:	-1.1	20.2	-5.9	24.5	-1.1
BIST 100 Relative:	-1.4	11.2	8.2	24.6	-1.4



Guidance FY25	Yapi Kredi Bank	Our Expectation
Loans		
TL	< Average inflation	31%
FC (\$ Terms)	Mid-teens	8%
NIM	~300bps improvement	300bps improvement
Fees and commissions	25%-30%	35%
OPEX	< 50%	42%
CoR	150-175bp	190bps
ROTE	Mid-Twenties	24.0%

Source: Bank financials, Seker Invest Research

Top-notch margin expansion QoQ. The bank stands out with its peer-leading recovery in NIM (adjusted) at 155bps QoQ. On an annual basis, margins weakened by a steep 470bps YoY to 0.7% (AKBNK: 2.2%, GARAN: 3.7%), missing the budget expectation of ~2%. The loan-deposit spread also improved by 110bps QoQ, above its competitors. Swap funding cost fell by 2% QoQ to TRY12.5bn, yet remained elevated. Despite the revision of the ratio used in the valuation of CPI-indexed papers from 47% in 3Q24 to 48.6% in 4Q24, their contribution declined by 7% on a quarterly basis to TRY17.bn. **Margins are expected to recover consecutively from 2Q25, and NIM (adj.) is expected to improve by 300 basis points annually for 2025.**

Fee and commission income growth rate improved QoQ. The fee and commission income growth rate has recovered, contrary to the sector trend, rising to 8% QoQ from 4.4% in 3Q24. Annual growth hit 112% YoY, above the >100% budget expectation but behind its competitors (AKBNK: 124%, GARAN: 131%). The fee-to-OPEX ratio decreased from 97.3% in 9M24 to 94.5% in YE24. (AKBNK: 86%, GARAN: 101%). **Fee and commission income is expected to increase by 25-30% for 2025.**

Muted TRY lending and market share losses in consumer loans. The increase in TRY loans is at 2.1% QoQ, and well behind its peers. Private banks achieved 5.3% growth QoQ. FX loans (in \$ terms) rose by 2.2% QoQ (P.B: +1.4). TRY and FX loan market share fell by 40 basis points and 10 basis points on a quarterly basis to 8.3% and 6.3%, respectively.

The annual increase in TRY loans is at 28% (Budget: Real growth), behind the 37% growth of private banks. The annual increase in FX loans is quite strong at 38% (Budget: double-digit growth). (P.B: 32%). **The Bank expects a relatively cautious increase in TL loans at <Average inflation level and in FX loans at a medium 10% level for 2025.**

Annual market share losses in consumer loans. Growth in total consumer loans fell to 0.4% QoQ from 1.5% in 3Q24. This also marks the weakest quarterly growth level since 2018. The Bank also lost 60 basis points of market share on an annual basis.

Mortgage loans declined by 1.7% QoQ following a 2.1% QoQ decline in 3Q24. Auto loans also contracted by 9% QoQ after a 19.1% QoQ decline in 3Q24. The contraction in GPLs slowed down, from 6.9% in 3Q24 to 3.9% in 4Q24. The quarterly increase in overdraft loans also decelerated sharply, from 26% in 3Q24 to 9.2% QoQ.

Strong revival in commercial installment loans growth QoQ. Commercial installment loans rose strongly by 19.1% QoQ after a 5.7% QoQ decline in 3Q24. Market share also increased by 70 basis points on an annual basis to 6%.

Slight recovery in credit card growth QoQ. Credit card growth recovered from 2% QoQ in 3Q24 to 6% QoQ. Market share fell by 50 basis points YoY to 13.6%.

Slight market share gains in demand deposits YoY. TRY deposits was up by a limited 0.3% QoQ after the 1.5% decline in 3Q24. This is well behind the 7.9% QoQ increase rate of private banks. The FX side fell by 3.6% QoQ (in \$ terms) (P.B: -5.0%). TRY market share fell by 70 basis points on an annual basis to 6.5%, while the FX side rose by 20 basis points to 6.9%.

TL LDR also rose by 170 basis points to 102%, contrary to the trend seen in other banks, and was the highest level among its competitors. On the positive side, the weight of demand deposits in total deposits was flat at 45% QoQ, above the sector average of 33.8%. Market share also increased by 10 basis points on an annual basis to 8.9% in YE24.

Relatively low decline in KKM. KKM fell by 20.8% QoQ after the 24.5% decrease in 3Q24. This is slightly below the 25.3% decrease in the sector. KKM's weight in TRY deposits decreased by 340 basis points QoQ to 12.8%. The bank's KKM market share rose by 70 basis points YoY to a record high of 9.2%.

Net NPL additions on retail loans remain elevated. Despite sales of TRY1.7bn, the NPL ratio is flat at 3.1% on a quarterly basis, the highest level among its peers (AKBNK: 2.9%, GARAN: 2.2%). Net NPL additions reached TRY8 billion in 4Q24, from TRY7.9bn in 3Q24, mostly in consumer segments.

Total CoR (net) hit 58 basis points in 12M24 from 23 basis points, still below the budget expectation of <75 basis points. This is also the lowest level among its competitors. (AKBNK: 12bps, GARAN: 89bps). **The CoR (net) is modeled to reach 150-175 basis points for 2025.**

Slight recovery in total coverage rate. The Stage 2 coverage rate fell by 140 basis points QoQ to 11.4%, while the Stage 3 coverage rate improved by 540 basis points QoQ to 65.9%. The coverage ratio rose by 10bps QoQ to 3.8%. (AKBNK: 3.6%, GARAN: 3.6%).

Limited annual increase in operating expenses. Operating expenses rose by a sharp 15% QoQ. The annual increase is relatively limited at 67% (AKBNK: 79%, GARAN: 95%) and is in line with the bank's <65% increase budget. The fee to OPEX ratio rose to 59% from 57.7% in 9M24. (AKBNK: 56%, GARAN: 38%). **A <50% increase in operating expenses is modeled for FY25.**

Capital adequacy stronger QoQ. The bank's CAR and CET1 ratios improved by 80 and 50 basis points on a quarterly basis, rising to 18.6% and 14.2%, respectively.

Figure 1: Summary balance sheet

(Bank-only, TRYmn)	12M23	3M24	6M24	9M24	12M24	QoQ	YoY	YtD
Cash and cash equivalents	290,162	321,995	345,899	417,844	411,046	-1.6%	41.7%	41.7%
Cash and CBT	263,274	290,269	314,635	377,916	387,863	2.6%	47.3%	47.3%
Banks	27,602	31,723	31,621	40,070	23,323	-41.8%	-15.5%	-15.5%
Money markets	0	603	0	0	0	n.a	n.a	n.a
Security portfolio	403,821	463,705	478,860	484,901	506,153	4.4%	25.3%	25.3%
Financial Assets at Fair Value Through P&L	3,094	3,853	3,570	3,477	3,725	7.1%	20.4%	20.4%
Financial Assets at Fair Value Through Other Comprehensive Income	95,393	126,396	117,601	116,719	131,155	12.4%	37.5%	37.5%
Financial Assets Measured at Amortised Cost	305,334	333,456	357,689	364,705	371,273	1.8%	21.6%	21.6%
Derivative Financial Assets	21,305	27,608	18,548	20,509	16,317	-20.4%	-23.4%	-23.4%
Performing Loans	876,756	1,031,389	1,127,393	1,169,956	1,206,555	3.1%	37.6%	37.6%
TRY loans	649,209	752,392	818,323	814,775	831,530	2.1%	28.1%	28.1%
FX loans	227,547	278,997	309,070	355,181	375,025	5.6%	64.8%	64.8%
FC loans (in \$)	7,740	8,649	9,411	10,419	10,647	2.2%	37.6%	37.6%
Loans	903,586	1,059,029	1,159,341	1,207,876	1,245,360	3.1%	37.8%	37.8%
TRY loans	676,038	780,031	850,271	852,695	870,335	2.1%	28.7%	28.7%
FX loans	227,547	278,997	309,070	355,181	375,025	5.6%	64.8%	64.8%
Non-performing loans	26,830	27,640	31,948	37,920	38,804	2.3%	44.6%	44.6%
Expected Credit Loss	40,535	43,318	41,122	44,326	47,102	6.3%	16.2%	16.2%
12 Month Expected Credit Loss (Stage I)	5,673	6,249	5,459	5,205	4,839	-7.0%	-14.7%	-14.7%
Significant Increase In Credit Risk (Stage II)	15,244	16,907	15,595	16,030	16,531	3.1%	8.4%	8.4%
Credit Impaired Losses (Stage III/Special Provision)	18,904	19,572	19,778	22,954	25,590	11.5%	35.4%	35.4%
Total assets	1,738,651	2,010,767	2,178,173	2,330,975	2,380,586	2.1%	36.9%	36.9%
Deposits	1,036,470	1,165,702	1,231,819	1,266,971	1,267,908	0.1%	22.3%	22.3%
TRY deposits	640,798	684,320	821,687	809,154	811,695	0.3%	26.7%	26.7%
FX deposits	395,672	481,382	410,132	457,817	456,213	-0.4%	15.3%	15.3%
FC deposits (in \$)	13,459	14,922	12,488	13,430	12,952	-3.6%	-3.8%	-3.8%
Funds borrowed	140,307	164,122	210,984	227,134	270,366	19.0%	92.7%	92.7%
MM	57,973	112,126	168,989	212,544	187,775	-11.7%	223.9%	223.9%
Securities issued	77,702	108,555	92,057	117,184	129,311	10.3%	66.4%	66.4%
Leasing debts	3,188	3,769	4,331	4,720	5,076	7.3%	59.2%	59.2%
Subordinated debt	36,846	39,192	57,734	58,693	61,932	5.5%	68.1%	68.1%
Shareholder's equity	178,852	180,583	183,093	190,967	192,804	1.0%	7.8%	7.8%
Total liabilities	1,738,651	2,010,767	2,178,173	2,330,975	2,380,586	2%	37%	37%

Source: Bank Financials, Seker Invest Research

Figure 2: Summary income statement

(Bank-only, TRYmn)	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY	Dec-23	Dec-24	YoY
Interest income	77,389	91,557	107,594	123,391	130,466	5.7%	68.6%	219,022	453,008	106.8%
Loans	48,453	60,105	71,502	80,683	83,049	2.9%	71.4%	130,709	295,339	126.0%
Banks	918	1,046	1,221	2,086	4,205	101.6%	358.1%	3,274	8,558	161.4%
Securities	27,827	28,413	29,029	31,444	31,087	-1.1%	11.7%	84,106	119,973	42.6%
Interest expense	53,618	68,928	90,568	109,233	108,364	-0.8%	102.1%	146,120	377,094	158.1%
Deposits	42,349	52,047	66,130	71,914	69,035	-4.0%	63.0%	117,993	259,127	119.6%
Funds borrowed	4,581	5,013	6,341	9,570	11,546	20.6%	152.0%	12,284	32,469	164.3%
Money market	2,180	6,702	12,907	23,629	23,158	-2.0%	962.0%	4,315	66,395	1438.7%
Debt instruments	3,200	3,518	4,691	3,952	4,422	11.9%	38.2%	9,674	16,583	71.4%
Net interest income	23,770	22,628	17,026	14,158	22,102	56.1%	-7.0%	72,902	75,914	4.1%
Net fee and commission income	12,989	15,557	18,141	18,942	20,457	8.0%	57.5%	34,482	73,097	112.0%
Core revenues	36,760	38,185	35,167	33,100	42,559	28.6%	15.8%	107,384	149,011	38.8%
Dividend income	4	0	10	2	3	16.2%	-25.8%	9	15	59.7%
Commercial profit gain/loss	-3,599	-10,251	-16,094	-9,448	-10,636	12.6%	195.6%	19,911	-46,431	-333.2%
Other operating income	4,873	8,867	8,234	6,041	5,363	-11.2%	10.1%	17,382	28,506	64.0%
Gross operating income	38,037	36,801	27,317	29,694	37,288	25.6%	-2.0%	144,687	131,101	-9.4%
OPEX	15,778	16,384	17,535	20,197	23,269	15.2%	47.5%	46,481	77,385	66.5%
PPOP	22,259	20,417	9,782	9,497	14,019	47.6%	-37.0%	98,206	53,716	-45.3%
Expected Credit Loss	4,768	12,023	5,617	8,754	9,301	6.2%	95.1%	23,772	35,695	50.2%
General Provisions	2,226	8,195	316	2,401	2,248	-6.4%	1.0%	12,153	13,160	8.3%
Non Performing Loans (Stage III/Special Provision)	2,542	3,829	5,301	6,353	7,052	11.0%	177.5%	11,619	22,535	94.0%
Other provisions	27	73	-55	23	17	-25.1%	-36.8%	98	59	-40.3%
Personnel Expense	6,159	6,342	5,794	6,948	8,447	21.6%	37.2%	16,777	27,530	64.1%
Other OPEX	9,620	10,042	11,741	13,250	14,822	11.9%	54.1%	29,703	49,855	67.8%
Net operating income	17,463	8,322	4,220	720	4,701	553.3%	-73.1%	74,336	17,962	-75.8%
Income/loss from inv. under equity	2,430	2,596	2,934	3,371	2,863	-15.1%	17.8%	8,215	11,765	43.2%
Net operating income	19,893	10,918	7,154	4,091	7,564	84.9%	-62.0%	82,551	29,727	-64.0%
Tax provision	586	616	52	-910	953	-204.7%	62.6%	14,542	710	-95.1%
Net income	19,307	10,302	7,103	5,001	6,611	32.2%	-65.8%	68,009	29,017	-57.3%

Source: Bank Financials, Seker Invest Research

Figure 3: Balance sheet ratios

Balance sheet structure (as % of total assets)	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY	Ytd
Liquid Assets	22%	23%	21%	23%	23%	-0.1%	0.5%	0.5%
Securities	23%	23%	22%	21%	21%	0.5%	-2.0%	-2.0%
Loans	50%	51%	52%	50%	51%	0.5%	0.3%	0.3%
Deposits	60%	58%	57%	54%	53%	-1.1%	-6.4%	-6.4%
Funds borrowed	8%	8%	10%	10%	11%	1.6%	3.3%	3.3%
MM borrowing	3%	6%	8%	9%	8%	-1.2%	4.6%	4.6%
Securities issued	4%	5%	4%	5%	5%	0.4%	1.0%	1.0%
Equity	10%	9%	8%	8%	8%	-0.1%	-2.2%	-2.2%
IEA	75%	76%	75%	73%	73%	0.2%	-2.3%	-2.3%
Securities portfolio mix	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY	Ytd
Financial Assets at Fair Value Through P&L	1%	1%	1%	1%	1%	0.0%	0.0%	0.0%
Financial Assets at Fair Value Through Other Comprehensive Income	24%	27%	25%	24%	26%	1.8%	2.3%	2.3%
Financial Assets Measured at Amortised Cost	76%	72%	75%	75%	73%	-1.9%	-2.3%	-2.3%
Loan mix (as % of total loans)	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY	Ytd
Real estate loans	2.0%	1.6%	1.5%	1.4%	1.3%	-0.1%	-0.7%	-0.7%
Automobile loans	4.9%	4.5%	4.2%	3.5%	3.4%	-0.1%	-1.5%	-1.5%
Consumer loans	16.9%	17.0%	17.9%	15.8%	16.5%	0.7%	-0.4%	-0.4%
Overdraft	4.1%	4.4%	5.6%	7.2%	7.6%	0.5%	3.5%	3.5%
CC	25.1%	26.1%	26.5%	26.0%	26.7%	0.7%	1.7%	1.7%
Corporate, Commercial and SME	47.0%	46.5%	44.3%	46.1%	44.4%	-1.7%	-2.6%	-2.6%
Funding structure	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY	Ytd
LDR	85%	88%	92%	92%	95%	2.8%	10.6%	10.6%
TRY LDR	101%	110%	100%	101%	102%	1.7%	1.1%	1.1%
FX LDR	58%	58%	75%	78%	82%	4.6%	24.7%	24.7%
Demand deposits/Deposits	42%	44%	43%	45%	45%	0.0%	3.1%	3.1%
Time deposits/Deposits	58%	56%	57%	55%	55%	0.0%	-3.1%	-3.1%
Asset quality	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY	Ytd
NPL Ratio	3.0%	2.6%	2.8%	3.1%	3.1%	0.0%	0.1%	0.1%
Stage 1 Coverage	0.7%	0.7%	0.5%	0.5%	0.5%	0.0%	-0.3%	-0.3%
Stage 2 Coverage	14.8%	15.0%	13.6%	12.7%	11.4%	-1.4%	-3.4%	-3.4%
NPL coverage	70.5%	70.8%	61.9%	60.5%	65.9%	5.4%	-4.5%	-4.5%
ECL % of PPOP	21.4%	58.9%	57.4%	92.2%	66.3%	-25.8%	44.9%	44.9%
ECL % of RWA	0.5%	0.9%	0.4%	0.6%	0.7%	0.1%	0.2%	0.2%
Specific CoR (gross)	1.20%	1.56%	1.91%	2.15%	2.30%	0.2%	1.1%	1.1%
Specific CoR (Net)	-0.77%	-1.96%	-0.86%	0.22%	0.44%	0.2%	1.2%	1.2%
Total CoR (gross)	2.26%	4.90%	2.03%	2.96%	3.03%	0.1%	0.8%	0.8%
Total CoR (net)	-0.40%	0.92%	-0.82%	0.78%	1.18%	0.4%	1.6%	1.6%
NPL/Equity	15%	15%	17%	20%	20%	0.3%	5.1%	5.1%
Stage 1 loans/Total loans	85.6%	86.7%	87.3%	86.5%	85.2%	-1.2%	-0.4%	-0.4%
Stage 2 loans/Total loans	11.4%	10.7%	9.9%	10.4%	11.7%	1.3%	0.3%	0.3%
Total provisions/NPL	151.1%	156.7%	128.7%	116.9%	121.4%	4.5%	-29.7%	-29.7%
Total coverage	4.5%	4.1%	3.5%	3.7%	3.8%	0.1%	-0.7%	-0.7%
Restructured/Stage 2	46.8%	46.2%	59.7%	63.9%	63.7%	-0.2%	16.9%	16.9%
Restructured/Gross Loans	5.3%	4.9%	5.9%	6.6%	7.4%	0.8%	2.1%	2.1%
Collections/New NPLs	66%	64%	39%	18%	78%	60.0%	12.0%	12.0%
Collections/Pre-tax income	14%	30%	48%	43%	120%	77.7%	106.4%	106.4%
Capital adequacy and leverage	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY	Ytd
CET1	16.6%	13.7%	12.8%	13.7%	14.2%	0.5%	-2.4%	-2.4%
Tier I	18.4%	13.7%	13.9%	14.9%	15.5%	0.6%	-2.9%	-2.9%
CAR	20.3%	16.9%	17.0%	17.8%	18.6%	0.8%	-1.7%	-1.7%
Free Equity/Equity	-141%	-168%	-195%	-233%	-234%	-1.2%	-93.6%	-93.6%
Leverage	9.7	11.1	11.9	12.2	12.3	14.1%	262.6%	262.6%
Currency breakdown	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY	Ytd
TRY Loans/Loans	74.0%	72.9%	72.6%	69.6%	68.9%	-0.7%	-5.1%	-5.1%
FX Loans /Loans	26.0%	27.1%	27.4%	30.4%	31.1%	0.7%	5.1%	5.1%
TRY Deposits/Deposits	61.8%	58.7%	66.7%	63.9%	64.0%	0.2%	2.2%	2.2%
FX Deposits/Deposits	38.2%	41.3%	33.3%	36.1%	36.0%	-0.2%	-2.2%	-2.2%
Currency risk	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY	Ytd
Net FX position	-162,394	-213,854	-127,052	-124,419	-138,032	-13,613	24,362	24,362
Net FX position/Equity	-90.8%	-118.4%	-69.4%	-65.2%	-71.6%	-6.4%	19.2%	19.2%

Source: Bank financials, Şeker Invest Research

Figure 4: Profitability ratios (Quarterly)	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY	YtD
ROAA	4.8%	2.2%	1.4%	0.9%	1.1%	0.24%	-3.63%	-3.63%
ROAE	53.6%	25.0%	16.6%	11.1%	14.5%	3.38%	-39.06%	-39.06%
RoATE	54.2%	25.3%	16.8%	11.3%	14.7%	3.45%	-39.47%	-39.47%
RoRWA	8.1%	3.5%	2.1%	1.4%	1.9%	0.52%	-6.17%	-6.17%
PPOP Margin	4.5%	2.9%	1.2%	1.1%	2.1%	0.96%	-2.42%	-2.42%
NIM	7.9%	6.5%	4.4%	3.4%	5.3%	1.81%	-2.66%	-2.66%
NIM (Swap adj.)	5.3%	1.5%	-0.6%	0.3%	2.2%	1.92%	-3.10%	-3.10%
NIM (Swap and CPI adj.)	-0.9%	-3.3%	-4.8%	-4.2%	-1.9%	2.31%	-1.02%	-1.02%
IEA yield	27.5%	28.4%	30.1%	33.1%	34.1%	1.00%	6.59%	6.59%
IBL cost	17.7%	20.1%	23.4%	26.2%	24.8%	-1.38%	7.11%	7.11%
IEA-IBL spread	8.3%	7.0%	5.4%	5.5%	7.5%	1.97%	-0.89%	-0.89%
Core spreads (TRY)	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY	YtD
TRY loan yield	31.9%	34.7%	37.8%	41.0%	42.5%	1.43%	10.59%	10.59%
TRY deposit cost	30.6%	34.9%	39.7%	40.0%	38.5%	-1.55%	7.93%	7.93%
TRL loan-deposit spread	1.0%	-0.2%	-1.4%	0.7%	2.9%	2.16%	1.86%	1.86%
Core spreads (FX)	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY	YtD
FX loan yield	10.6%	9.8%	8.4%	9.2%	7.8%	-1.43%	-2.84%	-2.84%
FX deposit cost	0.4%	0.5%	0.4%	0.3%	0.3%	0.00%	-0.08%	-0.08%
FX loan-deposit spread	10.2%	9.2%	8.0%	8.9%	7.5%	-1.43%	-2.75%	-2.75%
Core spreads (Blended)	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY	YtD
Blended loan yield	25.9%	27.7%	29.2%	31.2%	31.0%	-0.17%	5.17%	5.17%
Blended deposit cost	18.2%	20.3%	24.0%	25.1%	23.6%	-1.46%	5.42%	5.42%
Blended loan-deposit spread	6.5%	6.1%	4.3%	4.9%	6.0%	1.10%	-0.49%	-0.49%
Securities spreads (Blended)	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY	YtD
Blended securities yield	31.8%	28.9%	27.0%	28.8%	27.6%	-1.21%	-4.24%	-4.24%
Blended deposit cost	18.2%	20.3%	24.0%	25.1%	23.6%	-1.46%	5.42%	5.42%
Blended securities-deposit spread	11.5%	7.1%	2.5%	2.9%	3.2%	0.23%	-8.32%	-8.32%
Breakdown of banking income	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY	YtD
NII	62%	61%	62%	48%	59%	11.59%	-3.22%	-3.22%
Fees (Net)	34%	42%	66%	64%	55%	-8.93%	20.71%	20.71%
Dividends	0%	0%	0%	0%	0%	0.00%	0.00%	0.00%
Commercial profit /loss (net)	-9%	-28%	-59%	-32%	-29%	3.29%	-19.06%	-19.06%
Other operating income	13%	24%	30%	20%	14%	-5.96%	1.57%	1.57%
Interest income								
Loans/Interest Income	63%	66%	66%	65%	64%	-1.73%	1.04%	1.04%
Securities/Interest Income	36%	31%	27%	25%	24%	-1.65%	-12.13%	-12.13%
Interest expense								
Deposits/Interest expense	79%	76%	73%	66%	64%	-2.13%	-15.28%	-15.28%
Funds Borrowed/Interest expense	9%	7%	7%	9%	11%	1.89%	2.11%	2.11%
Efficiency ratios	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ	YoY	YtD
Cost/Income	41.5%	44.5%	64.2%	68.0%	62.4%	-5.61%	20.92%	20.92%
Costs/Loans	7.9%	7.0%	6.7%	7.2%	8.1%	0.85%	0.13%	0.13%
Cost/Assets	3.9%	3.5%	3.4%	3.6%	4.0%	0.38%	0.13%	0.13%
Fees (net)/Loans	6.5%	6.7%	6.9%	6.8%	7.1%	0.31%	0.57%	0.57%
Fees (net)/Assets	3.2%	3.4%	3.5%	3.4%	3.5%	0.12%	0.34%	0.34%
Fees (net)/OPEX	82.3%	95.0%	103.5%	93.8%	87.9%	-5.87%	5.59%	5.59%

Source: Bank financials, Şeker Invest Research

Historical Recommendation and Target Prices (TRY)



Source: Seker Invest Research

Date	Recommendation	Target Price (TRY)
22-Jan-18	Market Perform (MP)	2.88
04-May-18	Outperform (OP)	3.38
15-May-18	Outperform (OP)	3.16
09-Jul-18	Outperform (OP)	3.06
09-Oct-18	Outperform (OP)	2.11
17-Jan-19	Outperform (OP)	1.93
04-Feb-19	Outperform (OP)	2.19
03-May-19	Outperform (OP)	2.45
07-Jun-19	Outperform (OP)	2.35
02-Aug-19	Outperform (OP)	2.90
09-Oct-19	Outperform (OP)	2.95
14-Jan-20	Market Perform (MP)	3.20
13-Apr-20	Market Perform (MP)	2.24
03-May-20	Outperform (OP)	2.60
13-Jul-20	Outperform (OP)	2.85
27-Oct-20	Outperform (OP)	3.05
18-Jan-21	Outperform (OP)	3.90
30-Apr-21	Market Perform (MP)	3.05
30-Jul-21	Outperform (OP)	3.70
01-Nov-21	Outperform (OP)	5.10
20-Jan-22	Outperform (OP)	6.15
31-Oct-22	Outperform (OP)	13.25
12-Jan-23	Outperform (OP)	15.00
28-Apr-23	Outperform (OP)	15.30
25-Jul-23	Outperform (OP)	18.65
25-Oct-23	Outperform (OP)	29.71
12-Jan-24	Outperform (OP)	32.28
02-May-24	Outperform (OP)	39.06
31-Jul-24	Outperform (OP)	39.06
30-Oct-24	Outperform (OP)	36.44
07-Jan-25	Outperform (OP)	49.47

Source: Seker Invest Research

Basis for 12M Recommendations

Outperform:	The total return is expected to exceed the return of the BIST-100 by more than 10%.
Underperform:	The total return is expected to fall below the return of the BIST-100 by more than 10%.
Market Perform:	The total return is expected to be in line with the return of the BIST-100.

Source: Seker Invest Research

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