

Yapi Kredi Bank

4Q25 Earnings review

Net Profit Beats Expectations

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Yapi Kredi Bank has reported better-than-expected 4Q25 solo results, posting a net profit of TRY 9.28bn (QoQ: -38%).

The reported net income was 15% above our estimate of TRY 8.10bn and 13% above the market consensus of TRY 8.20bn. The key drag on quarterly profitability was a sharp increase in tax expenses, which surged by 185% QoQ. Following the announced results, Yapı Kredi's full-year 2025 net profit increased by 62% YoY to TRY 47.1bn. The bank closed 2025 with an ROE of 21.1% and an ROA of 1.7%.

Yapı Kredi's net interest income increased by 18.7% QoQ, while swap costs rose by 12% QoQ. Accordingly, the bank's net interest margin expanded by 51 bps QoQ to 2.8% in 4Q25, while FY25 NIM was at 2.3%.

On asset quality, Yapı Kredi's NPL ratio increased by 37 bps QoQ to 3.8%. Expected credit loss provisions rose by 16% QoQ, leading the bank's NPL coverage ratio to decline to 102%. Meanwhile, net cost of risk (including FX impact) increased by 20 bps QoQ to 2.2% in 4Q25, while the cumulative cost of risk eased to 2.01% for FY25.

On other income items, net fee and commission income posted a modest 1.2% QoQ increase, while growing by 51% in FY25. Income from associates rose by 5% QoQ and 30.7% YoY.

Operating expenses recorded a sharp 16.6% QoQ increase, while full-year 2025 opex rose by 52% YoY.

For 2026 guidance, Yapı Kredi expects TRY loan growth of over 30%, while FX loan growth is guided to remain in the low single digits due to regulatory constraints. On margins, the bank expects more than a 100 bps improvement in NIM in 2026. In addition, the bank guides for fee and commission income growth in line with inflation, while operating expenses are expected to grow at 35% or below. Lastly, the bank expects cost of risk to come in within the 150-175 bps range in 2026.

We evaluate Yapı Kredi's 4Q25 results as "**Neutral**". Following our revisions to 2026 forecasts, we revise our target price down to TRY 58.30 from TRY 62.17, while maintaining our "**Outperform**" recommendation. Our target price implies 48% upside potential from current levels. Yapı Kredi is currently trading at 2026E P/E of 3.2x and P/B of 0.95x, with an average ROE of c.35%

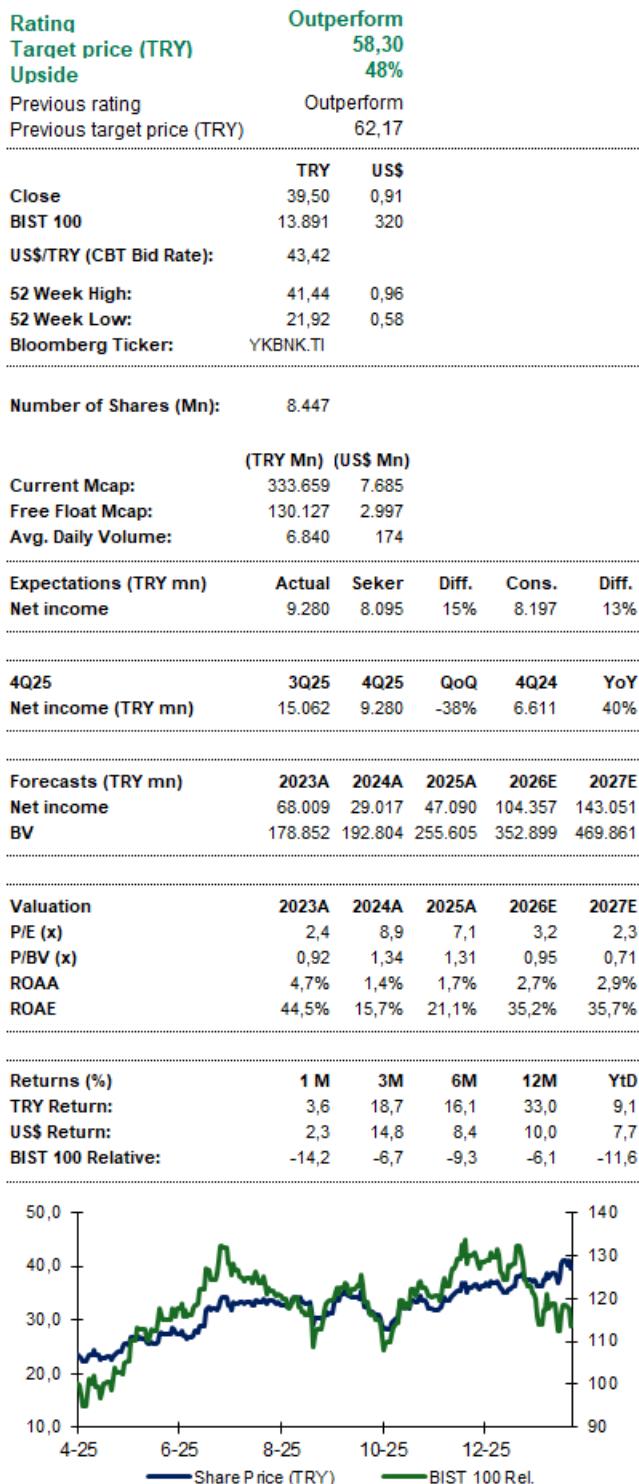


Figure 1: Summary balance sheet

(Bank-only, TRYmn)	12M24	9M25	12M25	QoQ	YoY	YtD
Security portfolio	506.153	570.765	587.508	2,9%	16,1%	16,1%
Loans	1.206.555	1.589.379	1.716.069	8,0%	42,2%	42,2%
Total assets	2.380.586	3.040.767	3.171.616	4,3%	33,2%	33,2%
Deposits	1.267.908	1.630.675	1.783.460	9,4%	40,7%	40,7%
TRY deposits	811.695	983.402	1.062.851	8,1%	30,9%	30,9%
FC deposits	456.213	647.274	720.609	11,3%	58,0%	58,0%
Shareholder's equity	192.804	241.283	255.605	5,9%	32,6%	32,6%
Total liabilities	2.380.586	3.040.767	3.171.616	4,3%	33,2%	33,2%

Source: Bank financials, Seker Invest Research

Figure 2: Summary income statement

(Bank-only, TRYmn)	4Q24	3Q25	4Q25	QoQ	YoY	Dec. 24	Dec. 25	YoY
Net interest income (Swap adj)	9.559	14.744	19.180	30,1%	100,7%	13.860	55.536	300,7%
Net fee and commission income	20.457	30.195	30.565	1,2%	49,4%	73.097	110.297	50,9%
Dividends	2.866	4.023	4.225	5,0%	47,4%	11.780	15.402	30,7%
Net trading gain/loss	1.907	6.758	6.369	-5,8%	234,0%	15.623	26.004	66,4%
Other operating income	659	330	1.117	238,3%	69,4%	1.774	2.232	25,8%
Provisions (net)	2.008	9.026	14.515	60,8%	622,9%	9.022	31.610	250,4%
OPEX	23.269	30.583	35.664	16,6%	53,3%	77.385	117.883	52,3%
Net operating profit before taxes	7.564	17.688	16.762	-5,2%	121,6%	29.727	59.976	101,8%
Tax provision	953	2.626	7.481	184,9%	685,2%	710	12.886	1714,3%
Net profit	6.611	15.062	9.280	-38,4%	40,4%	29.017	47.090	62,3%

Source: Bank financials, Seker Invest Research

Figure 3: Balance sheet ratios

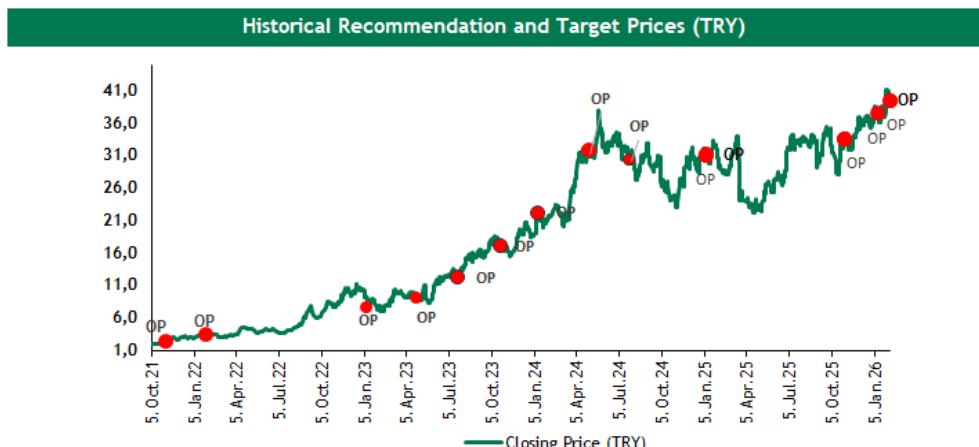
Funding structure	4Q24	3Q25	4Q25	QoQ	YoY	YtD
LDR	95%	97%	96%	-1,2%	1,1%	1,1%
TRY LDR	102%	108%	110%	1,7%	7,5%	7,5%
FX LDR	82%	81%	76%	-5,2%	-6,2%	-6,2%
Demand deposits/Deposits	45%	47%	48%	0,6%	2,5%	2,5%
Time deposits/Deposits	55%	53%	52%	-0,6%	-2,5%	-2,5%
Asset quality	4Q24	3Q25	4Q25	QoQ	YoY	YtD
NPL Ratio	3,1%	3,4%	3,8%	0,4%	0,7%	0,7%
Total CoR (Quarterly)	1,54%	1,97%	2,17%	0,2%	0,6%	0,6%
Total CoR (Cumulative)	0,77%	2,09%	2,01%	-0,1%	1,2%	1,2%
Stage 1 loans/Total loans	85,2%	84,4%	84,3%	-0,1%	-0,9%	-0,9%
Stage 2 loans/Total loans	11,7%	12,2%	11,9%	-0,3%	0,2%	0,2%
Total provisions/NPL	121,4%	106,1%	101,6%	-4,5%	-19,8%	-19,8%
Capital adequacy and leverage	4Q24	3Q25	4Q25	QoQ	YoY	YtD
CET1	14,2%	12,1%	12,2%	0,1%	-2,0%	-2,0%
Tier I	15,5%	14,4%	14,5%	0,1%	-0,9%	-0,9%
CAR	18,6%	16,9%	18,1%	1,2%	-0,5%	-0,5%
Leverage	12,35	12,60	12,41	-	0,19	0,06
Currency breakdown	4Q24	3Q25	4Q25	QoQ	YoY	YtD
TRY Loans/Loans	68,9%	67,0%	68,1%	1,1%	-0,8%	-0,8%
FX Loans /Loans	31,1%	33,0%	31,9%	-1,1%	0,8%	0,8%
TRY Deposits/Deposits	64,0%	60,3%	59,6%	-0,7%	-4,4%	-4,4%
FX Deposits/Deposits	36,0%	39,7%	40,4%	0,7%	4,4%	4,4%

Source: Bank financials, Seker Invest Research

Figure 4: Profitability ratios (Quarterly)

	4Q24	3Q25	4Q25	QoQ	YoY	YtD
ROAA	1,1%	2,1%	1,2%	-0,87%	0,07%	0,07%
ROAE	13,8%	26,0%	14,9%	-11,08%	1,16%	1,16%
NIM (Swap adj.)	1,8%	2,3%	2,8%	0,51%	0,96%	0,96%
Figure 4: Profitability ratios (Cumulative)	4Q24	3Q25	4Q25	QoQ	YoY	YtD
ROAA	1,4%	1,9%	1,7%	-0,18%	0,32%	0,32%
ROAE	15,7%	23,4%	21,1%	-2,33%	5,42%	5,42%
NIM (Swap adj.)	0,7%	2,0%	2,3%	0,22%	1,53%	1,53%
Efficiency ratios	4Q24	3Q25	4Q25	QoQ	YoY	YtD
Cost/Assets	4,0%	4,2%	4,6%	0,41%	0,64%	0,64%
Fees (net)/Assets	3,47%	4,13%	3,94%	-0,20%	0,46%	0,46%
Fees (net)/OPEX	87,9%	98,7%	85,7%	-13,03%	-2,21%	-2,21%

Source: Bank financials, Seker Invest Research



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
31.Oct.25	Outperform (OP)	41,36
09.Jan.26	Outperform (OP)	62,17
05.Feb.26	Outperform (OP)	58,30

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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