

HalkBank

4Q25 Earnings review

Above - Expectations Earnings, Improving Margins

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Türkiye Halk Bankası has reported a net profit of TRY 6.927bn in its 4Q25 solo financial results, representing a 15.2% QoQ decline. The reported net profit was 11% above both our estimate and the market median expectation of TRY 6.241bn.

As a result, the Bank's FY25 net profit increased by 79.6% YoY to TRY 27.131bn.

The QoQ decline in net profit was mainly driven by a sharp increase in tax expenses following regulatory changes. Pre-tax profit rose by 61.8% QoQ, while tax expense amounted to TRY 5.675bn (vs. a tax income of TRY 383mn in 3Q25). Quarterly ROE declined to 13.3%, while ROA decreased to 0.7%.

Halkbank's NPL ratio edged up by 0.1pp QoQ to 4.0%, while net expected credit loss (ECL) provisions increased by 10.6% QoQ. As a result, the NPL coverage ratio improved to 82% (vs. 80% in 3Q25).

Halkbank's net cost of risk stood at 199 bps in 4Q25, while it ended FY25 at 132 bps.

On the other income side, Halkbank's net fee and commission income increased by 13% QoQ to TRY 17.8bn. Accordingly, FY25 net fee and commission income rose by 53.2% YoY to TRY 60.312bn.

Meanwhile, the Bank's income from associates surged by 199% QoQ to TRY 7.066bn, bringing FY25 income from associates to TRY 11.208bn (FY24: TRY 1.061bn).

On the expense side, operating expenses increased by 21.7% QoQ to TRY 31.215bn in 4Q25. As a result, Halkbank's fee and commission income coverage ratio of operating expenses declined to 57%.

We evaluate Halkbank's 4Q25 results as "Slightly Positive", driven by the earnings beat. We revise our 12-month target price to TRY 53.9 (from TRY 46.32) and maintain our "Market Perform" recommendation. Our target price implies around 10% upside potential from current levels.

Halkbank is currently trading at 2026E P/E of 5.6x and P/B of 1.27x, with an implied average ROE of 26.3%.

Rating **Marketperform**
Target price (TRY) **53,9**
Upside **10%**

Previous rating **Marketperform**
Previous target price (TRY) **46,32**

	TRY	US\$
Close	49,10	1,12
BIST 100	13.934	319
US\$/TRY (CBT Bid Rate):	43,69	
52 Week High:	50,45	1,16
52 Week Low:	18,33	0,48
Bloomberg Ticker:	HALKB.TI	

Number of Shares (Mn): 7.185

	(TRY Mn)	(US\$ Mn)
Current Mcap:	352.773	8.074
Free Float Mcap:	31.750	727
Avg. Daily Volume:	1.770	177

Expectations (TRY mn)	Actual	Seker	Diff.	Cons.	Diff.
Net income	6.927	6.241	11,0%	6.241	11,0%

	3Q25	4Q25	QoQ	4Q24	YoY
Net income (TRY mn)	8.171	6.927	-15%	3.888	78%

Forecasts (TRY mn)	2023A	2024A	2025A	2026E	2027E
Net income	10.112	15.105	27.131	63.284	113.587
BV	128.406	152.565	218.333	277.547	375.313

Valuation	2023A	2024A	2025A	2026E	2027E
P/E (x)	8,5	7,7	13,0	5,6	3,1
P/BV (x)	0,67	0,76	1,62	1,27	0,94
ROAA	0,5%	0,6%	0,7%	1,3%	1,9%
ROAE	8,8%	11,0%	15,2%	26,3%	35,6%

Returns (%)	1 M	3M	6M	12M	Ytd
TRY Return:	15,9	66,8	79,5	155,2	33,5
US\$ Return:	14,6	61,4	67,6	111,6	31,0
BIST 100 Relative:	6,5	31,4	43,4	79,6	7,9

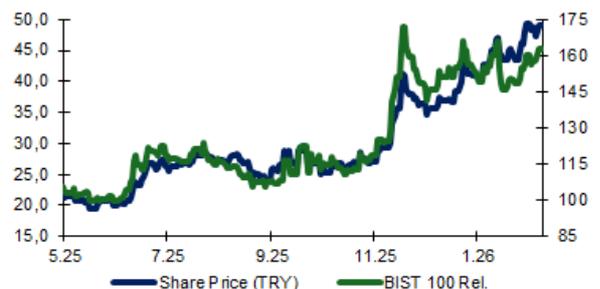


Figure 1: Summary balance sheet

(Bank-only, TRYmn)	12M24	9M25	12M25	QoQ	YoY	YtD
Security portfolio	783.143	1.124.276	1.186.846	5,6%	51,5%	51,5%
Loans	1.431.297	1.746.188	1.915.010	9,7%	33,8%	33,8%
Total assets	3.008.250	4.028.955	4.292.781	6,5%	42,7%	42,7%
Deposits	2.381.754	3.167.963	3.487.119	10,1%	46,4%	46,4%
TRY deposits	1.610.319	1.970.309	2.216.157	12,5%	37,6%	37,6%
FC deposits	771.436	1.197.654	1.270.962	6,1%	64,8%	64,8%
Shareholder's equity	152.565	197.947	218.333	10,3%	43,1%	43,1%
Total liabilities	3.008.250	4.028.955	4.292.781	6,5%	42,7%	42,7%

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)	5.365	18.441	34.477	87,0%	542,6%	4.964	86.561	1643,7%
Net fee and commission income	10.963	15.722	17.800	13,2%	62,4%	39.367	60.312	53,2%
Dividends	2	2.363	7.066	199,0%	350909%	1.061	11.208	n.m.
Net trading gain/loss	2.956	761	-9.188	-1307,4%	-410,8%	11.350	-9.840	n.m.
Other operating income	2.041	4.797	3.229	-32,7%	58,2%	5.193	10.453	101,3%
Provisions (net)	-514	8.650	9.567	10,6%	-1961,4%	-6.053	24.175	n.m.
OPEX	16.208	25.645	31.215	21,7%	92,6%	59.478	104.649	75,9%
Net operating profit before taxes	5.633	7.789	12.602	61,8%	123,7%	8.510	29.870	251,0%
Tax provision	1.745	-383	5.675	-1582,7%	225,3%	-6.595	2.739	n.m.
Net profit	3.888	8.171	6.927	-15,2%	78,2%	15.105	27.131	79,6%

Source: Bank financials, Seker Invest Research

Figure 3: Balance sheet ratios

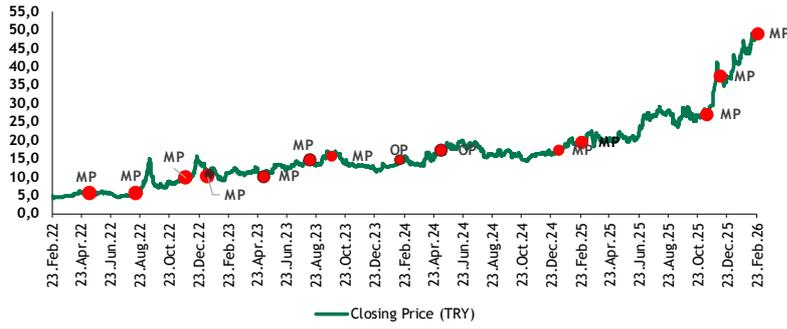
Funding structure	4Q24	3Q25	4Q25	QoQ	YoY	YtD
LDR	60%	55%	55%	-0,2%	-5,2%	-5,2%
TRY LDR	66%	61%	60%	-1,2%	-5,4%	-5,4%
FX LDR	47%	45%	46%	1,0%	-1,3%	-1,3%
Demand deposits/Deposits	25%	27%	29%	1,4%	3,2%	3,2%
Time deposits/Deposits	75%	73%	71%	-1,4%	-3,2%	-3,2%
Asset quality	4Q24	3Q25	4Q25	QoQ	YoY	YtD
NPL Ratio	2,1%	3,8%	4,0%	0,1%	1,9%	1,9%
Total CoR (Quarterly)	-0,07%	1,88%	1,99%	0,1%	2,1%	2,1%
Total CoR (Cumulative)	-0,42%	1,13%	1,32%	0,2%	1,7%	1,7%
Stage 1 loans/Total loans	89,5%	87,4%	86,9%	-0,5%	-2,6%	-2,6%
Stage 2 loans/Total loans	8,4%	8,8%	9,1%	0,3%	0,7%	0,7%
Total provisions/NPL	140,9%	80,5%	82,4%	1,9%	-58,5%	-58,5%
Capital adequacy and leverage	4Q24	3Q25	4Q25	QoQ	YoY	YtD
CET1	10,4%	10,3%	10,7%	0,4%	0,3%	0,3%
Tier I	11,5%	12,7%	13,6%	0,8%	2,0%	2,0%
CAR	14,8%	15,5%	16,2%	0,7%	1,3%	1,3%
Leverage	19,72	20,35	19,66	0,69	0,06	0,06
Currency breakdown	4Q24	3Q25	4Q25	QoQ	YoY	YtD
TRY Loans/Loans	73,8%	69,4%	69,7%	0,3%	-4,1%	-4,1%
FX Loans /Loans	25,3%	30,6%	30,3%	-0,3%	5,0%	5,0%
TRY Deposits/Deposits	67,6%	62,2%	63,6%	1,4%	-4,1%	-4,1%
FX Deposits/Deposits	32,4%	37,8%	36,4%	-1,4%	4,1%	4,1%

Source: Bank financials, Seker Invest Research

Figure 4: Profitability ratios (Quarterly)	4Q24	3Q25	4Q25	QoQ	YoY	YtD
ROAA	0,5%	0,9%	0,7%	-0,19%	0,14%	0,14%
ROAE	10,7%	17,8%	13,3%	-4,54%	2,61%	2,61%
NIM (Swap adj.)	0,8%	2,1%	3,6%	1,53%	2,83%	2,83%
Figure 4: Profitability ratios (Cumulative)	4Q24	3Q25	4Q25	QoQ	YoY	YtD
ROAA	0,6%	0,8%	0,7%	-0,03%	0,17%	0,17%
ROAE	11,0%	15,9%	15,2%	-0,76%	4,17%	4,17%
NIM (Swap adj.)	0,2%	2,1%	2,6%	0,42%	2,36%	2,36%
Efficiency ratios	4Q24	3Q25	4Q25	QoQ	YoY	YtD
Cost/Assets	2,2%	2,7%	3,0%	0,33%	0,80%	0,80%
Fees (net)/Assets	1,5%	1,6%	1,7%	0,07%	0,22%	0,22%
Fees (net)/OPEX	67,6%	61,3%	57,0%	-4,28%	-10,62%	-10,62%

Source: Bank financials, Seker Invest Research

Historical Recommendation and Target Prices (TRY)



Source: Seker Invest Research

Date	Recommendation	Target Price (TRY)
28. Apr. 15	Outperform (OP)	16,47
31. Jul. 15	Outperform (OP)	16,07
03. Nov. 15	Outperform (OP)	12,99
25. Feb. 16	Outperform (OP)	12,38
02. May. 16	Outperform (OP)	12,59
02. Aug. 16	Outperform (OP)	12,13
01. Nov. 16	Outperform (OP)	11,04
14. Feb. 17	Market Perform (MP)	11,56
10. May. 17	Market Perform (MP)	11,52
22. Jan. 18	Market Perform (MP)	11,20
11. May. 18	Market Perform (MP)	9,52
08. Aug. 18	Market Perform (MP)	8,27
09. Nov. 18	Market Perform (MP)	6,85
17. Jan. 19	Market Perform (MP)	7,73
14. May. 19	Market Perform (MP)	6,18
07. Jun. 19	Market Perform (MP)	5,72
09. Aug. 19	Market Perform (MP)	6,34
09. Oct. 19	Market Perform (MP)	7,05
15. Nov. 19	Market Perform (MP)	6,50
14. Jan. 20	Market Perform (MP)	7,82
13. Apr. 20	Market Perform (MP)	5,86
15. May. 20	Market Perform (MP)	5,75
13. Jul. 20	Market Perform (MP)	6,97
13. Nov. 20	Market Perform (MP)	6,20
18. Jan. 21	Market Perform (MP)	6,60
10. May. 21	Market Perform (MP)	5,30
11. Nov. 21	Market Perform (MP)	5,70
20. Jan. 22	Market Perform (MP)	7,05
13. May. 22	Market Perform (MP)	6,45
15. Aug. 22	Market Perform (MP)	7,10
14. Nov. 22	Market Perform (MP)	10,75
12. Jan. 23	Market Perform (MP)	14,62
10. May. 23	Market Perform (MP)	15,00
01. Aug. 23	Market Perform (MP)	15,65
10. Nov. 23	Market Perform (MP)	17,15
12. Jan. 24	Market Perform (MP)	17,53
10. May. 24	Market Perform (MP)	21,44
12. Aug. 24	Market Perform (MP)	21,44
13. Nov. 24	Market Perform (MP)	21,44
07. Jan. 25	Market Perform (MP)	22,88
26. Feb. 25	Market Perform (MP)	22,88
10. Nov. 25	Market Perform (MP)	34,19
09. Jan. 26	Market Perform (MP)	46,32
23. Feb. 26	Market Perform (MP)	53,90

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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