

HalkBank

1Q26 Earnings review

Above - Expectations Earnings and, Improving Margins

Mücahid Yıldırım

Analyst

myildirim@sekeryatirim.com.tr

+90 (212) 334 3333 ext.150

Türkiye Halk Bankası has reported an unconsolidated net profit of TRY 9.506 billion in 1Q26, exceeding both our estimate and the market consensus by 9.4%. The reported net income increased by 37% QoQ and 35% YoY. Following the strong bottom-line performance, Halkbank's return on equity rose to 17.1% in the first quarter of the year (4Q25: 13.3%).

The increase in net profit was primarily supported by strong growth in net interest income and lower net expected credit loss provisions.

Halkbank's swap-adjusted net interest income increased by 28% QoQ to TRY 28.5 billion, while the annual increase reached 100%. The bank valued its CPI-linked securities using a 28.3% inflation assumption, with CPI linker income declining by a limited 10% QoQ. Meanwhile, swap costs rose by 4% QoQ to TRY 6.3 billion during the same period.

Net fee and commission income declined by a limited 4% QoQ to TRY 17 billion, while recording a 34% YoY increase.

Total operating expenses increased by 5% QoQ to TRY 14.4 billion, while personnel expenses rose by 7% during the same period. On an annual basis, operating expenses recorded a 53% increase.

On the asset quality side, the bank's NPL ratio increased by 25 bps QoQ to 4.25%. Net expected credit loss provisions declined by 57% to TRY 4 billion, providing a significant contribution to bottom-line growth. Accordingly, the bank's net cost of risk was at 76 bps. Recall that the bank had closed FY25 with a cost of risk of 132 bps.

Other income items displayed a weak performance during the quarter. Subsidiary income declined by 41% QoQ, while trading income, which had stood at TRY 2.9 billion profit in the previous quarter, turned into a TRY 914 million loss in this period. In addition, net other operating income decreased by 42% QoQ.

We evaluate Türkiye Halk Bankası's 1Q26 financial results as "Positive" supported by better-than-expected net income, improving net interest margins, and a lower net cost of risk. Following our year-end revisions, we revise our 12-month target price to TRY 48.8 from TRY 53.9, while maintaining our "Hold" recommendation. Our target price implies a 23% upside potential from current levels. Halkbank is currently trading at 4.7x P/E and 1.03x P/BV multiples, with an average return on equity of 25.3%.

Rating	Marketperform
Target price (TRY)	48,8
Upside	23%
Previous rating	Marketperform
Previous target price (TRY)	53,90

	TRY	US\$
Close	39,76	0,88
BIST 100	15.063	334
US\$/TRY (CBT Bid Rate):	45,16	
52 Week High:	52,50	1,19
52 Week Low:	19,13	0,49
Bloomberg Ticker:	HALKB.TI	

Number of Shares (Mn): 7.185

	(TRY Mn)	(US\$ Mn)
Current Mcap:	285.667	6.326
Free Float Mcap:	25.710	569
Avg. Daily Volume:	1.961	179

Expectations (TRY mn)	Actual	Seker	Diff.	Cons.	Diff.
Net income	9.506	8.692	9,4%	8.692	9,4%

	4Q25	1Q26	QoQ	1Q25	YoY
Net income (TRY mn)	6.927	9.506	37%	7.051	35%

Forecasts (TRY mn)	2023A	2024A	2025A	2026E	2027E
Net income	10.112	15.105	27.131	61.402	91.242
BV	128.406	152.565	218.333	277.925	398.961

Valuation	2023A	2024A	2025A	2026E	2027E
P/E (x)	8,5	7,7	9,7	4,7	3,1
P/BV (x)	0,67	0,76	1,21	1,03	0,72
ROAA	0,5%	0,6%	0,7%	1,3%	1,5%
ROAE	8,8%	11,0%	15,2%	25,3%	27,0%

Returns (%)	1 M	3M	6M	12M	YtD
TRY Return:	4,7	-8,4	44,4	98,4	8,1
US\$ Return:	3,3	-11,9	34,4	69,4	2,6
BIST 100 Relative:	-5,9	-17,8	4,7	22,2	-19,2

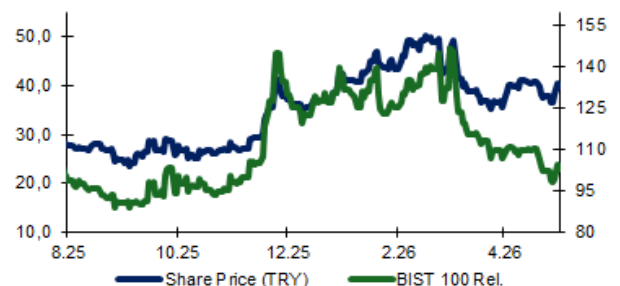


Figure 1: Summary balance sheet

(Bank-only, TRYmn)	3M25	12M25	3M26	QoQ	YoY	YtD
Security portfolio	881.871	1.186.846	1.183.642	-0,3%	34,2%	-0,3%
Loans	1.508.376	1.915.010	2.084.030	8,8%	38,2%	8,8%
Total assets	3.210.103	4.292.781	4.432.822	3,3%	38,1%	3,3%
Deposits	2.623.086	3.487.119	3.371.303	-3,3%	28,5%	-3,3%
TRY deposits	1.644.589	2.216.157	2.098.876	-5,3%	27,6%	-5,3%
FC deposits	978.497	1.270.962	1.272.427	0,1%	30,0%	0,1%
Shareholder's equity	158.202	218.333	226.029	3,5%	42,9%	3,5%
Total liabilities	3.210.103	4.292.781	4.432.822	3,3%	38,1%	3,3%

Source: Bank financials, Seker Invest Research

Figure 2: Summary income statement

(Bank-only, TRYmn)	1Q25	4Q25	1Q26	QoQ	YoY	Mar. 25	Mar. 26	YoY
Net interest income (Swap adj)	14.264	22.365	28.553	27,7%	100,2%	14.264	28.553	100,2%
Net fee and commission income	12.724	17.800	17.056	-4,2%	34,0%	12.724	17.056	34,0%
Dividends	1.552	7.066	4.134	-41,5%	166%	1.552	4.134	166,4%
Net trading gain/loss	-885	2.924	-914	-131,2%	3,2%	-885	-914	3,2%
Other operating income	1.282	3.229	1.858	-42,4%	44,9%	1.282	1.858	44,9%
Provisions (net)	2.295	9.567	4.073	-57,4%	77,4%	2.295	4.073	77,4%
OPEX	21.450	31.215	32.818	5,1%	53,0%	21.450	32.818	53,0%
Net operating profit before taxes	5.191	12.602	13.797	9,5%	165,8%	5.191	13.797	165,8%
Tax provision	-1.860	5.675	4.291	-24,4%	n.m.	-1.860	4.291	n.m.
Net profit	7.051	6.927	9.506	37,2%	34,8%	7.051	9.506	34,8%

Source: Bank financials, Seker Invest Research

Figure 3: Balance sheet ratios

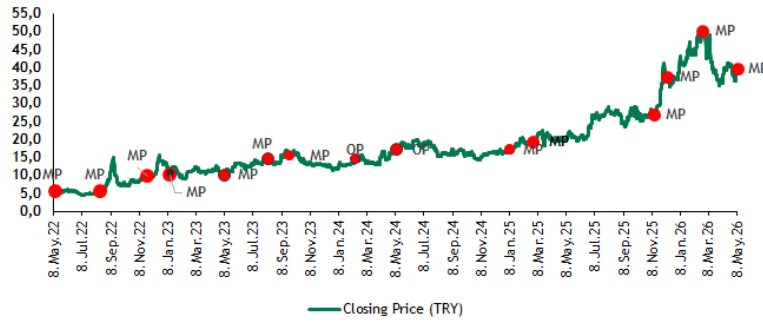
Funding structure	1Q25	4Q25	1Q26	QoQ	YoY	YtD
LDR	58%	55%	62%	6,9%	4,3%	6,9%
TRY LDR	65%	60%	70%	9,6%	4,5%	9,6%
FX LDR	44%	46%	49%	2,9%	5,0%	2,9%
Demand deposits/Deposits	26%	29%	29%	0,9%	3,2%	0,9%
Time deposits/Deposits	74%	71%	71%	-0,9%	-3,2%	-0,9%
Asset quality	1Q25	4Q25	1Q26	QoQ	YoY	YtD
NPL Ratio	2,4%	4,0%	4,2%	0,2%	1,8%	0,2%
Total CoR (Quarterly)	0,53%	1,99%	0,76%	-1,2%	0,2%	-1,2%
Total CoR (Cumulative)	0,53%	1,32%	0,76%	-0,6%	0,2%	-0,6%
Stage 1 loans/Total loans	89,4%	86,9%	87,2%	0,2%	-2,2%	0,2%
Stage 2 loans/Total loans	8,2%	9,1%	8,6%	-0,5%	0,4%	-0,5%
Total provisions/NPL	118,9%	82,4%	75,5%	-6,9%	-43,3%	-6,9%
Capital adequacy and leverage	1Q25	4Q25	1Q26	QoQ	YoY	YtD
CET1	9,4%	10,7%	8,4%	-2,3%	-1,0%	-2,3%
Tier I	10,4%	13,6%	11,2%	-2,4%	0,8%	-2,4%
CAR	13,4%	16,2%	13,4%	-2,8%	0,0%	-2,8%
Leverage	20,29	19,66	19,61	-0,05	0,68	0,05
Currency breakdown	1Q25	4Q25	1Q26	QoQ	YoY	YtD
TRY Loans/Loans	71,3%	69,7%	70,4%	0,7%	-0,9%	0,7%
FX Loans /Loans	28,2%	30,3%	29,6%	-0,7%	1,4%	-0,7%
TRY Deposits/Deposits	62,7%	63,6%	62,3%	-1,3%	-0,4%	-1,3%
FX Deposits/Deposits	37,3%	36,4%	37,7%	1,3%	0,4%	1,3%

Source: Bank financials, Seker Invest Research

Figure 4: Profitability ratios (Quarterly)	1Q25	4Q25	1Q26	QoQ	YoY	YtD
ROAA	0,9%	0,7%	0,9%	0,21%	-0,04%	0,21%
ROAE	18,2%	13,3%	17,1%	3,80%	-1,04%	3,80%
NIM (Swap adj.)	1,9%	2,3%	2,8%	0,51%	0,90%	0,51%
Figure 4: Profitability ratios (Cumulative)	1Q25	4Q25	1Q26	QoQ	YoY	YtD
ROAA	0,9%	0,7%	0,9%	0,13%	-0,04%	0,13%
ROAE	18,2%	15,2%	17,1%	1,96%	-1,04%	1,96%
NIM (Swap adj.)	1,9%	2,2%	2,8%	0,65%	0,90%	0,65%
Efficiency ratios	1Q25	4Q25	1Q26	QoQ	YoY	YtD
Cost/Assets	2,8%	3,0%	3,0%	0,01%	0,25%	0,01%
Fees (net)/Assets	1,6%	1,7%	1,6%	-0,15%	-0,07%	-0,15%
Fees (net)/OPEX	59,3%	57,0%	52,0%	-5,05%	-7,35%	-5,05%

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
11. May. 26	Market Perform (MP)	48,80

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

ŞEKER INVEST RESEARCH

Şeker Yatırım Menkul Değerler A.Ş.
Buyukdere Cad. No:171 Metrocity
A Blok Kat 4-5 34330 SİSLİ /İST
TURKEY

TEL: +90 (212) 334 33 33
Fax: +90 (212) 334 33 34
E-mail: research@sekeryatirim.com
Web: <http://www.sekeryatirim.com/english/index.aspx>

For additional information, please contact:

Research

Kadir Tezeller	Head	+90 (212) 334 33 81	ktezeller@sekeryatirim.com.tr
Burak Demirbilek	Utilities	+90 (212) 334 33 33-128	bdemirbilek@sekeryatirim.com.tr
Atasav Can Tuglu	Food & Beverages, Automotive, Retail, Aviation	+90 (212) 334 33 33-334	atuglu@sekeryatirim.com.tr
Basak Kamber	Glass, Pharmaceutical, Defense, Telcos, Cons. Dur.	+90 (212) 334 33 33-251	bkamber@sekeryatirim.com.tr
M. Mucahid Yıldırım	Banks	+90 (212) 334 33 33-150	myildirim@sekeryatirim.com.tr
Yusuf Kemal Erdekli	Cement, Conglomerates, Real Estate	+90 (212) 334 33 33-115	yerdekli@sekeryatirim.com.tr
O. Furkan Ozdemir	Iron & Steel, Oil- Gas & Deriv.	+90 (212) 334 33 33-245	oozdemir@sekeryatirim.com.tr

Economy & Politics

Abdulkadir Dogan	Chief Economist	+90 (212) 334 91 04	adogan@sekeryatirim.com.tr
------------------	-----------------	---------------------	--

Institutional Sales

Deniz Keskin	Trader	+90 (212) 334 33 36	dkeskin@sekeryatirim.com.tr
Kerim Culum	Trader	+90 (212) 334 33 33-316	kculum@sekeryatirim.com.tr

DISCLAIMER

I, Mücahid Yıldırım, hereby certify that the views expressed in this research accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

This report has been prepared by the Şeker Yatırım Menkul Değerler A.Ş. (Şeker Invest, Inc.) Research Team. The information and opinions contained herein have been obtained from and are based upon public sources that Şeker Invest considers to be reliable. No representation or warranty, express or implied, is made that such information is accurate or complete and should not be relied upon, as such. All estimates and opinions included in this report constitute our judgments as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors as they believe necessary. Şeker Invest may, from time to time, have a long or short position in the securities mentioned in this report and may solicit, perform or have performed investment banking, underwriting or other services (including acting as adviser, manager, underwriter or lender) for any company referred to in this report and may, to the extent permitted by law, have acted upon or used the information contained herein, or the research or analysis upon which it is based, before its publication. This report is for the use of intended recipients and may not be reproduced in whole or in part or delivered or transmitted to any other person without the prior written consent of Şeker Invest. By accepting this document you agree to be bound by the foregoing limitations.

Copyright © 2026 Şeker Invest