Yapi Kredi Bank

3Q26 Earnings review

Earnings in line, limited margin recovery

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Yapı Kredi has reported a bank-only net profit of TRY 10.67bn in 3Q26; net profit was flat QoQ and down 29% YoY, coming in slightly above both our estimate and the market consensus (Şeker: TRY 10.50bn; consensus: TRY 10.54bn). 9M26 net profit rose 10% YoY to TRY 41.7bn, bringing the average ROE to 20.0% (9M26 cumulative).

Swap-adjusted net interest income increased 9% QoQ to TRY 22.5bn. The TL loan yield rose 52bps QoQ, while the TL time deposit cost declined 48bps. Swap costs rose 12% to TRY 37.6bn. The swap-adjusted NIM stood at 2.73%, slightly above the previous quarter (2Q26: 2.70%). The bank expects further margin expansion in 4Q26.

Net fees and commissions rose 6% QoQ to TRY 33.1bn, while 9M26 growth stood at 19% YoY. Net trading income rose 20% QoQ to TRY 6.2bn, and income from subsidiaries increased 6% to TRY 5.6bn. Operating expenses rose 14% QoQ; 9M26 cost growth of 34% YoY was in line with the bank's guidance of ≤35%.

Net provisions rose 3% QoQ to TRY 14.6bn. Net cost of risk stood at 2.8% in 3Q26 and 2.5% in 9M26. The NPL ratio rose from 4.3% to 4.6%. Stage 3 coverage was 59.9%, and Stage 2 loans accounted for 12.4% of the portfolio.

TL loans grew 6% QoQ and 23% YTD, while FC loans were flat QoQ in USD terms. With TL deposits up 17% QoQ, the TL loan-to-deposit ratio declined from 110% to 99%. The CET1 ratio declined to 10.1% (2Q26: 10.5%) and the CAR to 15.7%; the consolidated CET1 ratio stood at 9.0%, 97bps above the regulatory minimum.

The bank maintained its 2026 RoTE guidance but expects to come in at the low end of the range, and expects cost of risk to exceed its 150–175bps guidance. **Following the updates to our estimates after the 3Q26 results, and as we switch our valuation methodology for Yapı Kredi to a residual income (RI) model, as with Akbank, Garanti BBVA and TSKB, our 12-month target price comes to TRY 50.17 (previously TRY 51.10). We maintain our Outperform rating, with 41% upside potential.** The stock trades at 5.2x 2026E P/E and 0.96x P/BV.

Rating	**Outperform**
Target price (TRY)	**50.17**
Upside	**41%**
Previous rating	Outperform
Previous target price (TRY)	51.10

	TRY	US$
Close	35.64	0.71
BIST 100	10,962	220
US$/TRY (CBT Bid Rate):	49.88	
52 Week High:	44.50	1.02
52 Week Low:	30.42	0.64
Bloomberg Ticker:	YKBNK.TI	

Number of Shares (Mn):	8,447

	(TRY Mn)	(US$ Mn)
Current Mcap:	301,053	**6,048.3**
Free Float Mcap:	117,411	**2,358.8**
Avg. Daily Volume:	7,126	**205.3**

Expectations (TRY mn)	**Actual**	**Seker**	**Diff.**	**Cons.**	**Diff.**
Net income	10,665	10,499	1.6%	10,536	1.2%

3Q26	**2Q26**	**3Q26**	**QoQ**	**3Q25**	**YoY**
Net income (TRY mn)	10,715	10,665	-0.5%	15,062	-29%

Forecasts (TRY mn)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**
Net income	68,009	29,017	47,090	57,501	105,843
BV	178,852	192,804	255,605	312,027	417,870

Valuation	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**
P/E (x)	2.4	8.9	6.5	5.2	2.8
P/BV (x)	0.92	1.34	1.20	0.96	0.72
ROAA	4.7%	1.4%	1.7%	1.6%	2.3%
ROAE	44.5%	15.7%	21.1%	20.2%	29.2%

Returns (%)	**1 M**	**3M**	**6M**	**12M**	**YtD**
TRY Return:	2.0	8.8	-3.8	6.1	-1.6
US$ Return:	0.3	3.4	-13.0	-10.7	-15.3
BIST 100 Relative:	14.2	33.6	26.8	6.2	1.1

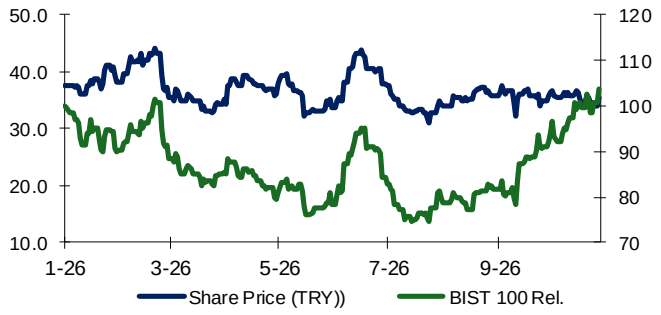


Figure 1: Summary balance sheet

(Bank-only, TRYmn)	9M25	6M26	9M26	QoQ	YoY	YtD
Security portfolio	570,765	602,942	631,900	4.8%	10.7%	7.6%
Loans	1,589,379	1,950,247	2,063,469	5.8%	29.8%	20.2%
Total assets	**3,040,767**	**3,572,390**	**3,978,560**	**11.4%**	**30.8%**	25.4%
Deposits	**1,630,675**	**1,985,905**	**2,241,482**	**12.9%**	**37.5%**	**25.7%**
TRY deposits	983,402	1,222,515	1,435,386	17.4%	46.0%	35.1%
FC deposits	647,274	763,390	806,096	5.6%	24.5%	11.9%
Shareholders' equity	241,283	286,488	296,201	3.4%	22.8%	15.9%
Total liabilities	**3,040,767**	**3,572,390**	**3,978,560**	**11.4%**	**30.8%**	**25.4%**

Source: Bank financials, Seker Invest Research

Figure 2: Summary income statement

(Bank-only, TRYmn)	3Q25	2Q26	3Q26	QoQ	YoY	Sep.25	Sep.26	YoY
Net interest income (Swap adj)	14,744	20,551	22,488	9.4%	52.5%	36,356	66,158	82.0%
Net fee and commission income	30,195	31,252	33,083	5.9%	9.6%	79,732	94,613	18.7%
Dividends	4,023	5,292	5,626	6.3%	39.8%	11,176	15,548	39.1%
Net trading gain/loss	6,758	5,167	6,212	20.2%	-8.1%	19,635	21,927	11.7%
Other operating income	330	709	485	-31.6%	46.9%	1,115	1,962	75.9%
Provisions (net)	7,780	14,164	14,593	3.0%	87.6%	22,580	38,226	69.3%
OPEX	30,583	35,654	40,608	13.9%	32.8%	82,219	110,079	33.9%
Net operating profit before taxes	17,688	13,153	12,693	-3.5%	-28.2%	43,215	51,903	20.1%
Tax provision	2,626	2,438	2,028	-16.8%	-22.8%	5,405	10,228	89.2%
Net profit	**15,062**	**10,715**	**10,665**	**-0.5%**	**-29.2%**	**37,810**	**41,675**	**10.2%**

Source: Bank financials, Seker Invest Research

Figure 3: Balance sheet ratios

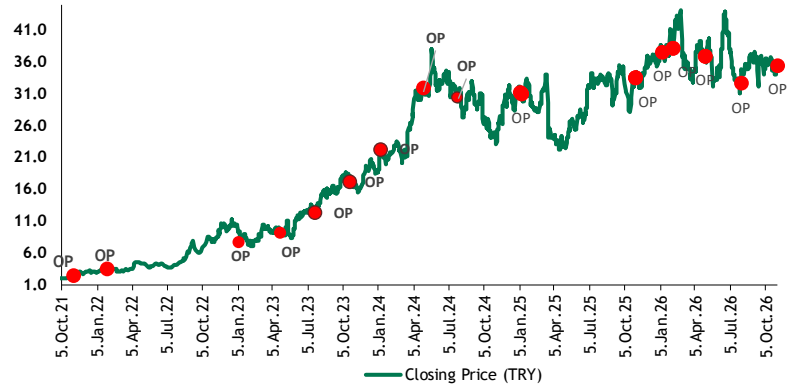
Funding structure	3Q25	2Q26	3Q26	QoQ	YoY	YtD
LDR	97%	98%	92%	-6.1%	-5.4%	-4.2%
TRY LDR	108%	110%	99%	-10.7%	-9.0%	-10.7%
FX LDR	81%	79%	79%	-0.2%	-1.9%	3.3%
Demand deposits/Deposits	47%	47%	45%	-1.9%	-2.3%	-2.9%
Time deposits/Deposits	53%	53%	55%	1.9%	2.3%	2.9%
Asset quality	**3Q25**	**2Q26**	**3Q26**	**QoQ**	**YoY**	**YtD**
NPL Ratio	3.4%	4.3%	4.6%	0.3%	1.1%	0.8%
Net CoR (Quarterly)	1.97%	2.66%	2.78%	0.1%	0.8%	0.6%
Net CoR (Cumulative)	2.09%	2.35%	2.50%	0.2%	0.4%	0.5%
Stage 1 loans/Total loans	84.4%	83.6%	83.1%	-0.6%	-1.3%	-1.2%
Stage 2 loans/Total loans	12.2%	12.1%	12.4%	0.3%	0.2%	0.5%
Total provisions/NPL	106.1%	94.6%	90.3%	-4.2%	-15.8%	-11.3%
Capital adequacy and leverage	**3Q25**	**2Q26**	**3Q26**	**QoQ**	**YoY**	**YtD**
CET1	12.1%	10.5%	10.1%	-0.4%	-2.0%	-2.1%
Tier I	14.4%	13.5%	13.1%	-0.4%	-1.3%	-1.5%
CAR	16.9%	16.1%	15.7%	-0.4%	-1.2%	-2.4%
Leverage	12.60	12.47	13.43	0.96	0.83	1.02
Currency breakdown	**3Q25**	**2Q26**	**3Q26**	**QoQ**	**YoY**	**YtD**
TRY Loans/Loans	67.0%	68.9%	69.0%	0.1%	2.1%	0.9%
FX Loans /Loans	33.0%	31.1%	31.0%	-0.1%	-2.1%	-0.9%
TRY Deposits/Deposits	60.3%	61.6%	64.0%	2.5%	3.7%	4.4%
FX Deposits/Deposits	39.7%	38.4%	36.0%	-2.5%	-3.7%	-4.4%

Source: Bank financials, Seker Invest Research

Figure 4: Profitability ratios (Quarterly)	3Q25	2Q26	3Q26	QoQ	YoY	YtD
ROAA	2.1%	1.2%	1.1%	-0.10%	-0.93%	-0.07%
ROAE	26.0%	15.4%	14.6%	-0.73%	-11.38%	-0.30%
NIM (Swap adj.)	2.29%	2.70%	2.73%	0.02%	0.43%	-0.08%
Figure 5: Profitability ratios (Cumulative)	**3Q25**	**2Q26**	**3Q26**	**QoQ**	**YoY**	**YtD**
ROAA	1.9%	1.8%	1.6%	-0.26%	-0.30%	-0.12%
ROAE	23.4%	22.9%	20.0%	-2.84%	-3.37%	-1.04%
NIM (Swap adj.)	2.0%	3.0%	2.9%	-0.10%	0.81%	0.59%
Efficiency ratios	**3Q25**	**2Q26**	**3Q26**	**QoQ**	**YoY**	**YtD**
Cost/Assets	4.2%	4.1%	4.3%	0.21%	0.12%	-0.29%
Fees (net)/Assets	4.13%	3.58%	3.51%	-0.08%	-0.63%	-0.43%
Fees (net)/OPEX	98.7%	87.7%	81.5%	-6.18%	-17.26%	-4.23%

Source: Bank financials, Seker 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
31.Oct.25	Outperform (OP)	41.36
09.Jan.26	Outperform (OP)	62.17
05.Feb.26	Outperform (OP)	58.30
29.Apr.26	Outperform (OP)	58.30
31.Jul.26	Outperform (OP)	51.10
03.Nov.26	Outperform (OP)	50.17

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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