Halkbank

3Q26 Earnings review
Margin recovery continues, earnings beat expectations

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Halkbank posted a bank-only net profit of TRY 8.54bn in 3Q26, up 3.8% QoQ and 4.5% YoY. The result came in 10.7% above our estimate and 10.9% above the market expectation. 9M26 net profit rose 30.0% YoY to TRY 26.27bn.

Swap-adjusted NIM continued to rise. Swap-adjusted net interest income increased 20.3% QoQ to TRY 33.79bn, lifting the swap-adjusted NIM from 2.67% to 2.99%. CPI-linker income of TRY 44.59bn remained the main driver of the margin, while swap costs rose from TRY 11.22bn to TRY 15.23bn. The TRY deposit cost edged up from 44.6% to 45.0%, even as sector deposit rates declined. Management stated that the full effect of the CBRT's cumulative 400bp cut in the funding rate will show in 4Q26 and that margin expansion will continue.

Strong fee growth, high opex growth. Net fees and commissions rose 17.9% QoQ and 35.4% YoY to TRY 21.29bn; 9M26 growth was 32.7%. Operating expenses increased 5.4% QoQ to TRY 41.71bn. 9M26 opex growth of 55.4% YoY remains well above average inflation.

Asset quality continues to weaken. The NPL ratio rose from 4.4% to 4.7%, and the share of Stage 2 loans from 9.4% to 10.5%. Total provisions/NPL fell from 74.4% to 67.3%. Net provisions declined 5.3% QoQ to TRY 8.65bn. Net cost of risk was 140bp in 3Q26 and 128bp in 9M26 (cumulative). Management guides for a cost of risk of 185bp in 2026 and 155–165bp in 2027.

Rapid balance sheet growth, improved capital ratios. Loans grew 8.0% QoQ and deposits 8.9%. The TRY LDR of 70% remains well below the sector average, which management sees as room for growth. The bank-only CET1 ratio rose from 8.7% to 9.2% and the CAR from 14.0% to 14.5%. The bank stated that preparations for the planned 25% capital increase are ongoing and that it is waiting for a suitable market window.

We updated our estimates following the 3Q26 results. We forecast net profit of TRY 40.99bn for 2026E and TRY 84.69bn for 2027E. **Our valuation excludes the capital increase. The improvement in the CET1 ratio eased the capital constraint on loan growth in our model. Accordingly, we raise our 12-month target price from TRY 46.4 to TRY 52.3; with 27% upside, we maintain our "Market perform" rating. The stock trades at 7.2x 2026E P/E and 1.14x P/BV.**

Rating	**Marketperform**
Target price (TRY)	**52.3**
Upside	**27%**
Previous rating	Marketperform
Previous target price (TRY)	46.4

	TRY	US$
Close	41.04	0.82
BIST 100	11,483	230
US$/TRY (CBT Bid Rate):	49.96	
52 Week High:	54.35	1.19
52 Week Low:	25.74	0.61
Bloomberg Ticker:	HALKB.TI	

Number of Shares (Mn):	7,185

	(TRY Mn)	(US$ Mn)
Current Mcap:	294,863	5,902
Free Float Mcap:	26,538	531
Avg. Daily Volume:	2,347	52

Expectations (TRY mn)	Actual	Seker	Diff.	Cons.	Diff.
Net income	8,539	7,713	10.7%	7,703	10.9%

	2Q26	3Q26	QoQ	3Q25	YoY
Net income (TRY mn)	8,223	8,539	4%	8,171	4%

Forecasts (TRY mn)	2023A	2024A	2025A	2026E	2027E
Net income	10,112	15,105	27,131	40,989	84,688
BV	128,406	152,565	218,333	259,474	344,162

Valuation	2023A	2024A	2025A	2026E	2027E
P/E (x)	8.5	7.7	9.7	7.2	3.5
P/BV (x)	0.67	0.76	1.21	1.14	0.86
ROAA	0.5%	0.6%	0.7%	0.9%	1.4%
ROAE	8.8%	11.0%	15.2%	17.3%	28.4%

Returns (%)	1 M	3M	6M	12M	YtD
TRY Return:	-9.3	10.3	7.7	44.1	11.6
US$ Return:	-10.9	4.9	-2.7	21.2	-4.3
BIST 100 Relative:	-2.2	32.6	39.9	39.0	9.4

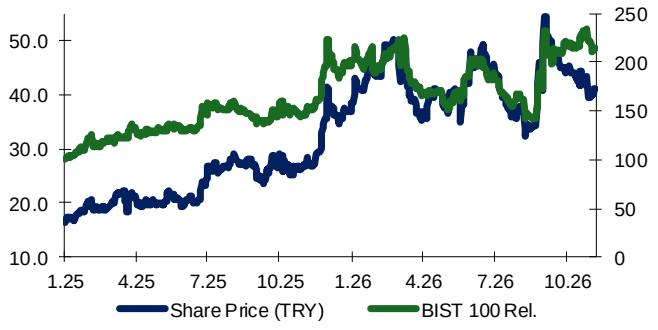


Figure 1: Summary balance sheet

(Bank-only, TRYmn)	9M25	6M26	9M26	QoQ	YoY	YtD
Security portfolio	1,124,276	1,244,911	1,354,669	8.8%	20.5%	14.1%
Loans	1,759,776	2,311,758	2,496,715	8.0%	41.9%	29.4%
Total assets	**4,028,955**	**4,721,843**	**5,108,498**	**8.2%**	**26.8%**	19.0%
Deposits	**3,167,963**	**3,655,676**	**3,980,496**	**8.9%**	**25.6%**	**14.1%**
TRY deposits	1,970,309	2,307,581	2,498,375	8.3%	26.8%	12.7%
FC deposits	1,197,654	1,348,095	1,482,121	9.9%	23.8%	16.6%
Shareholder's equity	197,947	234,602	244,753	4.3%	23.6%	12.1%
Total liabilities	**4,028,955**	**4,721,843**	**5,108,498**	**8.2%**	**26.8%**	**19.0%**

Source: Bank financials, Seker Invest Research

Figure 2: Summary income statement

(Bank-only, TRYmn)	3Q25	2Q26	3Q26	QoQ	YoY	9M25	9M26	YoY
Net interest income (Swap adj)	18,440	28,088	33,787	20.3%	83.2%	52,084	90,428	73.6%
Net fee and commission income	15,722	18,061	21,288	17.9%	35.4%	42,511	56,405	32.7%
Dividends	2,363	4,203	3,277	-22.0%	38.7%	4,142	11,614	180.4%
Net trading gain/loss	762	1,881	-715	n.m.	n.m.	-652	252	n.m.
Other operating income	4,797	1,125	2,862	154.5%	-40.3%	7,224	5,845	-19.1%
Provisions (net)	8,650	9,134	8,654	-5.3%	0.0%	14,608	21,861	49.6%
OPEX	25,645	39,577	41,707	5.4%	62.6%	73,434	114,102	55.4%
Net operating profit before taxes	7,789	4,646	10,125	117.9%	30.0%	17,267	28,568	65.4%
Tax provision	-383	-3,577	1,586	n.m.	n.m.	-2,936	2,300	n.m.
Net profit	**8,171**	**8,223**	**8,539**	**3.8%**	**4.5%**	**20,204**	**26,268**	**30.0%**

Source: Bank financials, Seker Invest Research

Figure 3: Balance sheet ratios

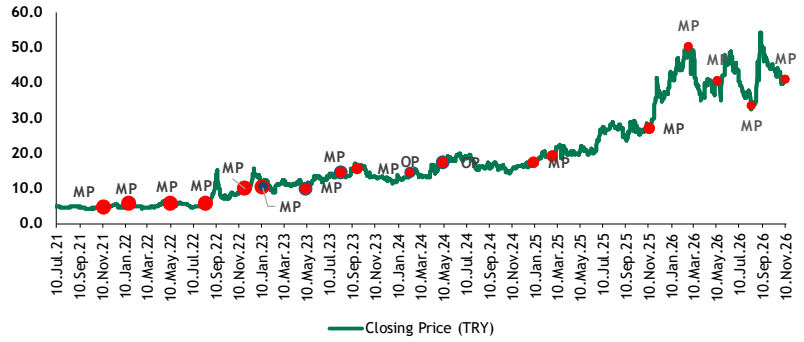
Funding structure	3Q25	2Q26	3Q26	QoQ	YoY	YtD
LDR	56%	63%	63%	-0.5%	7.2%	7.4%
TRY LDR	62%	70%	70%	-0.4%	7.4%	8.7%
FX LDR	45%	52%	51%	-0.6%	6.5%	5.6%
Demand deposits/Deposits	27%	29%	30%	1.1%	3.0%	1.6%
Time deposits/Deposits	73%	71%	70%	-1.1%	-3.0%	-1.6%
Asset quality	**3Q25**	**2Q26**	**3Q26**	**QoQ**	**YoY**	**YtD**
NPL Ratio	3.8%	4.4%	4.7%	0.3%	0.9%	0.7%
Total CoR (Quarterly)	1.93%	1.60%	1.40%	-0.2%	-0.5%	-0.7%
Total CoR (Cumulative)	1.16%	1.21%	1.28%	0.1%	0.1%	-0.1%
Stage 1 loans/Total loans	87.4%	86.2%	84.8%	-1.5%	-2.6%	-2.2%
Stage 2 loans/Total loans	8.8%	9.4%	10.5%	1.1%	1.8%	1.4%
Total provisions/NPL	80.5%	74.4%	67.3%	-7.1%	-13.1%	-15.0%
Capital adequacy and leverage	**3Q25**	**2Q26**	**3Q26**	**QoQ**	**YoY**	**YtD**
CET1	10.3%	8.7%	9.2%	0.5%	-1.1%	-1.5%
Tier I	12.7%	11.9%	12.4%	0.6%	-0.3%	-1.2%
CAR	15.5%	14.0%	14.5%	0.4%	-1.0%	-1.7%
Leverage	20.35	20.13	20.87	0.75	0.52	1.21
Currency breakdown	**3Q25**	**2Q26**	**3Q26**	**QoQ**	**YoY**	**YtD**
TRY Loans/Loans	69.6%	69.8%	69.6%	-0.2%	0.0%	-0.3%
FX Loans /Loans	30.4%	30.2%	30.4%	0.2%	0.0%	0.3%
TRY Deposits/Deposits	62.2%	63.1%	62.8%	-0.4%	0.6%	-0.8%
FX Deposits/Deposits	37.8%	36.9%	37.2%	0.4%	-0.6%	0.8%

Source: Bank financials, Seker Invest Research

Figure 4: Profitability ratios (Quarterly)	3Q25	2Q26	3Q26	QoQ	YoY	YtD
ROAA	0.9%	0.7%	0.7%	-0.02%	-0.16%	0.03%
ROAE	17.8%	14.3%	14.3%	-0.03%	-3.60%	0.94%
NIM (Swap adj.)	2.07%	2.67%	2.99%	0.32%	0.92%	0.66%
Figure 4: Profitability ratios (Cumulative)	**3Q25**	**2Q26**	**3Q26**	**QoQ**	**YoY**	**YtD**
ROAA	0.8%	0.8%	0.8%	-0.04%	-0.02%	0.01%
ROAE	15.9%	15.7%	15.2%	-0.50%	-0.75%	0.02%
NIM (Swap adj.)	2.14%	2.74%	2.82%	0.08%	0.68%	0.63%
Efficiency ratios	**3Q25**	**2Q26**	**3Q26**	**QoQ**	**YoY**	**YtD**
Cost/Assets	2.7%	3.5%	3.4%	-0.06%	0.72%	0.39%
Fees (net)/Assets	1.6%	1.6%	1.7%	0.15%	0.09%	0.02%
Fees (net)/OPEX	61.3%	45.6%	51.0%	5.41%	-10.26%	-5.98%

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
23.Feb.26	Market Perform (MP	53.90
11.May.26	Market Perform (MP	48.80
10.Aug.26	Market Perform (MP	46.38
09.Nov.26	Market Perform (MP	52.30

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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