

## Model Portfolio Revisions

### We are removing YKBNK, PGSUS & CCOLA, adding ISCTR & TSKB

We are revising our long-term model portfolio, taking into account the current conjuncture and return potential.

- We are removing YKBNK:** We like Yapı Kredi Bank (YKBNK) due to its net interest margin, which has started to recover according to 3Q23 solo financial results, and the Bank's ROE, which is quite strong compared to its competitors. However, in 6M23, net interest income contracted more than its competitors, pointing out a relatively weaker performance. Despite the recovery signals in 3Q23, we are removing YKBNK from our Long-Term Model Portfolio with the prediction that the recovery may remain slower than its competitors.
- We are removing PGSUS:** We estimate that the annual growth trend in traffic data may slow down, considering the strong base of 1H22, as well as the fact that the summer period, which is a strong period for the aviation industry, is behind, possible geopolitical risks and the impact of adverse weather conditions on flights. Although we think that Pegasus is in an advantageous position in the long term with the efficiency contribution provided by the fleet renewal plan and low CASK, we are removing it from our Long-Term Model Portfolio following the strong relative return (+25%) recorded in the past 12 months.
- We are removing CCOLA:** Coca Cola Icecek (CCOLA), which we fundamentally like for its activities in different geographies, overperformed the XU100 index by 36% in the last 12 months. We believe that the positive contribution from the acquisition of Uzbekistan operations at the end of 2021 and the recovery trend on the volume side are priced. The stock may underperform BIST100 index unless there are catalysts such as new steps to enter new markets in the coming period. We remove the stock that is trading at levels close to its historical averages based on 2024 P/E and EV/EBITDA multiples from our Long-Term Model Portfolio.
- We are adding ISCTR:** We fundamentally like Türkiye İş Bankası (ISCTR) due to its leadership among private banks in total asset volume and demand deposit base, its asset quality which continues to improve, its strengthening ROE and healthy balance sheet management. We believe that following the recently announced partial demerger process facilitated by subsidiary model, an increase in productivity can be seen as the Bank concentrates its resources more in the field of banking, and the process will have a positive impact on the Bank's key performance indicators. We are adding ISCTR to our Long-Term Model Portfolio with a 12-month target price of TRY30.07.
- We are adding TSKB:** We fundamentally like the Türkiye Sınai Kalkınma Bankası (TSKB) due to its strong ROE, improving asset quality and strong CAR. The net interest income continued to accelerate without deterioration in 9M23, net income increased by 65% y/y in 3Q23. The Bank is protected against interest rate increases compared to its competitors because it does not collect deposits as a development and investment bank. TSKB can easily obtain foreign currency credit sources from international development organizations, providing loan resources and pioneering the funding of sustainability-themed long-term project finance loans in the country. We are adding TSKB to our Long-Term Model Portfolio with a 12-month target price of TRY10.96.

	Inclusion Date	Inclusion Price	Last Price (TRY)	Absolute	Relative	Target Price (TRY)
ISCTR	22.11.2023	21.30	21.30	-	-	30.07
TSKB	22.11.2023	7.39	7.39	-	-	10.96
FROTO	30.05.2022	280.07	840.00	199.9%	-5.8%	U/R
SISE	30.05.2022	20.32	50.45	148.3%	-22.0%	51.50
KRDMD	26.12.2022	18.15	25.44	40.2%	-4.1%	U/R
SAHOL	26.12.2022	42.32	60.60	43.2%	-2.1%	U/R
<b>Model Portfolio</b>				<b>242.31%</b>	<b>7.51%</b>	

\* U/R: Under review

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