

07/11/2025

In-line: backed by provisioning reversals

Core revenues up; trading gains normalized

Albaraka posted 3Q25 net income of TL701mn (-44% q/q, -12% y/y), in line with both our estimate (TL729mn) and the market consensus (TL736mn). Note that Albaraka released free provisions of TL500mn in 3Q, which brought the total buffer to TL245mn as of 9M25. Tax reversals (TL243mn) also contributed to 3Q earnings. Core revenues expanded by 57% q/q thanks to widened TL spread and remuneration support from required reserves. Fee income grew by 13% q/q and 56% y/y. Net trading income declined 58% q/q mainly due to the lack of last quarters' valuation gains from the Bank's own investment fund. Opex grew only 3% q/q thanks to effective cost management. ROE dropped to 13.7% in 3Q, down from 26.1% in 2Q and 20.3% in the same quarter last year. We expect Albaraka's net earnings to reach TL12.2bn in 2025, implying a strong 51% ROE.

25E earnings estimate and MP rating maintained

Albaraka trades at 26E P/BV of 0.6x and 3.3x P/E, while 26E ROE stands at 19.7%, on our estimates. We maintain our "Marketperform" rating for the stock.

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Current Rating		Marketperform	
Analyst Action		➔	None
Price	TL8.43	Mcap (mnTL)	20,075
Target Price	TL9.85	Mcap (mn\$)	476
Upside	17%	Prev. Target Price	TL6.69
High /Low 30Day	8.7 / 7.4	Free Float	40%

BB 2025FY Consensus

Estimate Revisions	1W	4W	3M
EPS	-	-	-
# of Buy/Hold/Sell	3/3/0	3/3/0	5/1/0
Rel Perf. XU030	-0.8%	3.9%	-9.9%
ADV (USDmn)	2.7	2.8	4.0

OYAK vs BB consensus

(25E TLmn)	OYAK	Cons.	% Diff
NI	12,205	11,648	5%

Multiples & Ratios

(OYAK Est)	2024	2025E	2026E
P/E	4.89x	1.73x	3.26x
P/B	1.14x	0.71x	0.59x
RoE	27.1%	50.8%	19.7%
(TLmn)	2024	2025E	2026E
Net income	4,310	12,205	6,458
Equity	18,429	29,609	35,999

Income Statement					
TLm	3Q24	2Q25	3Q25	q/q (%)	y/y (%)
I. Net Interest Income	745	569	1,415	148.8	89.9
II. Net Fee Income	856	1,186	1,337	12.7	56.3
III. Net Trading Gain/Loss	1,034	1,109	474	(57.2)	(54.2)
IV. Other Income	744	2,081	439	(78.9)	(41.0)
V. OPEX	1,955	2,970	3,053	2.8	56.2
VI. Pre-provisioning Income	1,424	1,974	612	(69.0)	(57.0)
VII. Provisions	422	1,445	158	(89.1)	(62.6)
VIII. Income from Participations	2	0	2	-	0.7
IX. Pre-Tax Income	1,005	529	457	(13.6)	(54.5)
X. Net Profit	794	1,256	701	(44.2)	(11.7)

Analyst: Övünç Gürsoy, PhD, CFA

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