

4Q25 Banks Earnings Preview

Tax provisions and operating expenses weigh on profitability

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Banks are expected to begin announcing their 4Q25 financial results on February 2, starting with Akbank. For the banks under our coverage, we forecast a quarter-on-quarter earnings growth of 3.8% and a year-on-year increase of 38% in 4Q25. Net profit for our covered banks had increased by 11% quarter-on-quarter in 3Q25.

In a quarter where tax expenses weigh significantly on profitability, we expect investors to focus primarily on margin improvement and developments in asset quality.

Key themes for 4Q25 are:

- 1) A sharp increase in tax provisions across the sector, significantly weighing on profitability,
- 2) Ongoing improvement in net interest margins (including swaps), with strong expansions at İş Bankası and Garanti BBVA,
- 3) A flat-to-positive trend in fee and commission income, alongside a sharp quarter-specific surge in operating expenses driven by personnel costs,
- 4) Strong TL loan growth of around 10%, while FX loan growth remains in the low single digits,
- 5) Elevated tax expenses stemming from inflation accounting regulations, further pressuring profitability

Among the banks under our coverage, we expect VakıfBank to deliver the strongest quarter-on-quarter earnings growth, while Akbank and İş Bankası are also set to stand out with solid profit expansion.

At Akbank, we expect the improvement in net interest margin (including swaps), coupled with relatively contained operating expense growth compared to the sector, to support profitability.

At Garanti BBVA, despite strong expansions in margins and net interest income, we expect rising loan loss provisions and operating expenses to weigh on profitability.

At Halkbank, although improvements in net interest margins and a strong increase in net interest income are supportive, we expect a sharp quarter-specific surge in operating expenses driven by year-end personnel costs to limit profitability.

For İş Bankası, despite a strong recovery in margins and a pronounced increase in net interest income, higher operating expenses driven by pension fund-related provisions emerge as the main factor pressuring profitability.

At TSKB, while we forecast higher net interest income in line with margin improvement, we expect increased provisioning expenses related to inflows into non-performing loans to weigh on profitability.

At VakıfBank, we believe the sharp improvement in net interest margins (including swaps), supported by a strong increase in CPI-linked securities income, will be the key driver of earnings growth.

Yapı Kredi Bank, despite strong growth in margins and net interest income, we expect a marked increase in tax expenses to be the main factor pressuring profitability.

Net income forecasts for the coverage banks (Bank-only, TRY mn)

Banks	4Q24	3Q25	4Q25E	QoQ	YoY	Highlights	Date	Impact
AKBNK	9,227	14,064	17,359	23.4%	88.1%	Ongoing improvement in net interest margin Limited increase in operating expenses, continued strength in the fee-to-expense ratio	2 February	Positive
GARAN	25,241	30,432	26,581	-12.7%	5.3%	Strong increase in net interest margin Provision expenses and operating costs are weighing on profitability	4 February	Negative
HALKB	3,888	7,546	6,241	-17.3%	60.5%	Strong net interest margin expansion is being offset by elevated personnel expenses and higher tax provisions, pressuring profitability.	2.Week of Feb. (Estimate)	Negative
ISCTR	10,833	14,213	15,975	12.4%	47.5%	Very strong increase in net interest margin and lower ECLs are offset by a sharp rise in operating expenses driven by year-end personnel costs.	6 February	Positive
TSKB	3,099	2,810	2,043	-27.3%	-34.1%	The strong quarterly net interest margin is sustained, while higher loan loss provisions stemming from increased NPL inflows continue to be the primary drag on profitability.	3 February	Negative
VAKBN	13,161	11,893	23,403	96.8%	77.8%	Strong recovery in net interest margins Very strong net profit growth supported by CPI-linked securities income	2.Week of Feb. (Estimate)	Positive
YKBNK	6,611	15,062	8,095	-46.3%	22.4%	NIM recovery drove strong NII growth, but higher provisions, costs and tax charges led to a sharp decline in net earnings.	5 February	Negative
Total	72,061	96,020	99,698	3.8%	38.4%			

Source: Şeker Invest Research

Akbank

We expect Akbank to report a net profit of TRY 17.968bn in 4Q25, representing a quarter-on-quarter increase of 28%. Accordingly, we forecast the bank's full-year 2025 net profit to reach TRY 56.884bn, up 32% year-on-year. In line with this performance, we expect return on equity to stand at 25% on a quarterly basis and 21.6% on an annual basis. The key driver of earnings growth is expected to be the 40bp quarter-on-quarter improvement in net interest margin (including swaps), translating into a strong 26% quarter-on-quarter increase in net interest income (including swap costs). In addition, we expect a decline in expected credit loss provisions to provide a meaningful boost to profitability. On the other hand, while we anticipate a flat trend in fee and commission income, operating expenses are expected to increase only moderately. Under this outlook, we believe the bank's strong fee-to-cost ratio will be preserved on both a quarterly and annual basis. **Positive.**

Garanti BBVA

We expect Garanti BBVA to report a net profit of TRY 26.581bn in 4Q25, representing a quarter-on-quarter decline of 12.6%. Accordingly, we forecast the bank's full-year 2025 net profit to reach TRY 110.623bn, up 42% year-on-year. In line with this outlook, we estimate return on equity at 25.6% on a quarterly basis and 29.5% on an annual basis. Despite a strong quarter-on-quarter improvement in net interest margin (including swaps), which we expect to translate into a 21% increase in net interest income (including swap costs), profitability is likely to be pressured by period-specific increases in operating expenses, net expected credit loss provisions and tax expenses. While we expect fee and commission income growth to continue, a stronger increase in operating expenses is likely to lead to a deterioration in the fee-to-cost ratio. In line with our expectation of a manageable deterioration in asset quality, higher expected credit loss provisions also stand out as an additional factor weighing on profitability. Although rising tax expenses across the sector are expected to affect Garanti BBVA as well, we believe the impact will remain relatively more limited compared to peers. **Limited Negative.**

HalkBank

We expect Halkbank to report a net profit of TRY 6.24bn in 4Q25, representing a quarter-on-quarter decline of 17%, driven by higher tax provisions stemming from regulatory changes and an increase in personnel expenses within operating costs. In line with our expectation of a 55bp quarter-on-quarter improvement in net interest margin (including swaps), we forecast a strong 38% quarter-on-quarter increase in net interest income (including swap costs). While we expect fee and commission income to grow by 13% quarter-on-quarter, a sharp 21% quarter-on-quarter increase in operating expenses is likely to weigh on profitability. On the positive side, we expect a strong increase in income from associates (approximately TRY 6.5bn) to support earnings. Following the accounting methodology change implemented as of 3Q25, we believe the previous pattern—where income from associates was largely recognized in the first quarter—has been eliminated, with such income now expected to be reflected more evenly across all quarters throughout the year. As across the sector, we expect the pronounced increase in tax expenses to continue to weigh on Halkbank's net profitability. **Negative.**

Isbank

We expect İş Bankası to report a net profit of TRY 15.786bn in 4Q25, representing a quarter-on-quarter increase of 11%. We forecast a strong 110bp quarter-on-quarter expansion in net interest margin (including swap costs), which should translate into a very strong 65% quarter-on-quarter increase in net interest income. On the fee side, we expect fee and commission income to increase by 8% quarter-on-quarter. Despite the strong revenue growth, we expect profitability to be partially offset by a sharp 30% quarter-on-quarter increase in operating expenses driven by period-specific year-end personnel costs. While we expect a year-end-related increase in the non-performing loan ratio broadly in line with expectations, we foresee only a limited increase in coverage ratios. Accordingly, we estimate a net 8% quarter-on-quarter decline in expected credit loss provisions. We expect the net cost of risk to decline on a quarterly basis, while remaining broadly flat on a cumulative basis. Although we anticipate an increase in tax provisions following the prior-period regulation-driven negative tax charge, we believe the impact will be relatively more limited compared to peers. **Positive.**

VakıfBank:

We expect VakıfBank to report a net profit of TRY 23.4bn in 4Q25, representing a strong quarter-on-quarter increase of 96%. In line with this performance, we estimate return on equity at 34% on a quarterly basis and 26% on an annual basis. The key driver of earnings growth is expected to be the sharp 250bp quarter-on-quarter improvement in net interest margin (including swaps), which we expect to translate into a very strong 110% quarter-on-quarter increase in net interest income (including swaps). The main source of this increase in net interest income is the catch-up adjustment in CPI-linked securities, reflecting the relatively conservative valuation rate maintained by the bank throughout the year, with the adjustment materializing in the final quarter. Accordingly, we forecast an 83% quarter-on-quarter increase in income from CPI-linked securities. On the cost side, while we expect a slight decline in fee and commission income, a quarter-on-quarter increase of 11.5% in operating expenses driven by year-end personnel costs is likely to weigh modestly on profitability. We expect the bank to book approximately TRY 4bn in free provisions during the quarter, while loan loss provisions are forecast to increase only marginally. As a result, we estimate total expected credit loss provisions to rise by 30% quarter-on-quarter, with year-end net cost of risk reaching 133bp. On the tax side, we expect a sharp quarter-on-quarter increase of 330% driven by regulatory changes. **Positive.**

Yapı Kredi Bank:

We expect Yapı Kredi Bank to report a net profit of TRY 8.095bn in 4Q25, representing a quarter-on-quarter decline of 46%, driven primarily by a sharp increase in tax expenses. Accordingly, we forecast the bank's full-year 2025 net profit to reach TRY 45.905bn, up 58% year-on-year. Under this outlook, we estimate return on equity at 13.2% on a quarterly basis and 20.7% on an annual basis. In line with our expectation of an approximately 40bp improvement in net interest margin, we forecast a strong 28% quarter-on-quarter increase in net interest income (including swaps). Fee and commission income, on the other hand, is expected to remain broadly flat on a quarterly basis. Despite the strong revenue growth, we believe the main factor weighing on profitability will be the sharp 152% quarter-on-quarter increase in tax expenses. In addition, a period-specific 17% increase in operating expenses and a 21% quarter-on-quarter rise in net expected credit loss provisions, in line with developments in asset quality, are also likely to weigh on earnings. **Negative.**

TSKB

We expect Türkiye Sınai Kalkınma Bankası to report a net profit of TRY 2.043bn in 4Q25, representing a quarter-on-quarter decline of 27%. Accordingly, we forecast TSKB's full-year 2025 net profit to reach TRY 11.328bn, up 12% year-on-year. Under this outlook, we expect return on equity to decline to 19.1% on a quarterly basis, while remaining robust at 29.4% on an annual basis. In line with our expectation of a quarter-on-quarter improvement in net interest margin, we forecast a 22% increase in net interest income (including swaps). The main factor weighing on profitability is expected to be higher provisioning expenses driven by inflows into the non-performing loan portfolio. In this context, we estimate year-end net cost of risk at 80bp (including FX impact), which remains relatively low compared to deposit banks. In addition, a period-specific 17% quarter-on-quarter increase in operating expenses is expected to further pressure profitability. **Negative.**

AKBNK (Bank-only, TRYmn)	3Q25	4Q25E	QoQ
Net interest income (inc. Swap)	17,329	21,839	26.0%
Net fee income	33,433	33,508	0.2%
Net trading gains/losses	3,035	5,579	83.8%
Other operating income (net)	640	807	26.2%
Gross operating income	54,437	61,734	13.4%
OPEX	27,490	28,260	2.8%
Net operating profit	26,948	33,474	24.2%
Expected Credit Loss	12,460	8,842	-29.0%
Dividends	2,864	3,011	5.1%
Profit before tax	17,352	27,642	59.3%
Tax	3,288	9,675	194.3%
Net profit	14,064	17,968	27.8%

TL loans	1,114,401	1,236,180	10.9%
FC loans	439,494	471,121	7.2%
FC loans in \$	10,569	10,973	3.8%
Total loans	1,553,895	1,707,301	9.9%

TL deposits	1,284,386	1,322,917	3.0%
FC deposits	642,431	713,043	11.0%
FC deposits in \$	15,449	16,607	7.5%
Total deposits	1,926,816	2,035,960	5.7%
Total assets	3,028,776	3,404,538	12.4%

NPL ratio	3.74%	3.67%	-0.08
NIM (Swap adj.)	2.62%	3.04%	0.41
CoR (net) bps	3.26%	2.25%	-1.01
Fees (net)/OPEX	121.62%	118.57%	-3.05
ROAE	21.0%	24.3%	3.29
ROAA	1.9%	2.2%	0.23

Source: Seker Invest Research

GARAN (Bank-only, TRYmn)	3Q25	4Q25E	QoQ
Net interest income (inc. Swap)	36,890	44,621	21.0%
Net fee income	38,010	40,480	6.5%
Net trading gains/losses	4,145	3,183	-23.2%
Other operating income (net)	1,359	1,364	0.4%
Gross operating income	80,404	89,648	11.5%
OPEX	41,155	47,302	14.9%
Net operating profit	39,249	42,346	7.9%
Expected Credit Loss	9,026	12,975	43.8%
Dividends	7,530	7,548	0.2%
Profit before tax	37,754	36,918	-2.2%
Tax	7,322	10,337	41.2%
Net profit	30,432	26,581	-12.7%

TL loans	1,468,826	1,608,477	9.5%
FC loans	549,472	578,596	5.3%
FC loans in \$	13,213	13,476	2.0%
Total loans	2,018,298	2,187,073	8.4%

TL deposits	1,487,472	1,616,882	8.7%
FC deposits	852,690	942,011	10.5%
FC deposits in \$	20,505	21,940	7.0%
Total deposits	2,340,162	2,558,893	9.3%
Total assets	3,498,972	3,776,568	7.9%

NPL ratio	3.19%	3.48%	0.29
NIM (Swap adj.)	4.92%	5.51%	0.58
CoR (net) bps	1.81%	2.47%	0.65
Fees (net)/OPEX	92.4%	85.6%	-6.78
ROAE	30.9%	25.6%	-5.30
ROAA	3.6%	2.9%	-0.69

Source: Seker Invest Research

HALKB (Bank-only, TRYmn)	3Q25	4Q25E	QoQ
Net interest income (inc. Swap)	18,441	25,593	38.8%
Net fee income	15,722	17,835	13.4%
Net trading gains/losses	761	867	13.9%
Other operating income (net)	4,797	3,147	-34.4%
Gross operating income	39,721	47,443	19.4%
OPEX	25,645	30,949	20.7%
Net operating profit	14,076	16,494	17.2%
Expected Credit Loss	8,650	10,454	20.9%
Dividends	2,363	6,442	172.6%
Profit before tax	7,789	12,482	60.3%
Tax	-383	6,241	n.m.
Net profit	7,546	6,241	-17.3%

TL loans	1,281,026	1,414,080	10.4%
FC loans	535,013	575,709	7.6%
FC loans in \$	12,865	13,402	4.2%
Total loans	1,816,038	1,989,789	9.6%
TL deposits	1,970,309	2,246,152	14.0%
FC deposits	1,197,654	1,311,355	9.5%
FC deposits in \$	28,800	30,528	6.0%
Total deposits	3,167,963	3,557,507	12.3%
Total assets	4,028,955	4,364,012	8.3%
NPL ratio	3.86%	3.85%	-0.01
NIM (Swap adj.)	2.07%	2.63%	0.56
CoR (net) bps	2.01%	2.14%	0.13
Fees (net)/OPEX	61.3%	57.6%	-3.68
ROAE	17.8%	12.4%	-5.43
ROAA	0.9%	0.6%	-0.26

Source: Seker Invest Research

ISCTR (Bank-only, TRYmn)	3Q25	4Q25E	QoQ
Net interest income (inc. Swap)	18,674	30,814	65.0%
Net fee income	36,024	38,956	8.1%
Net trading gains/losses	2,014	2	-99.9%
Other operating income (net)	777	779	0.2%
Gross operating income	57,489	70,552	22.7%
OPEX	38,277	49,864	30.3%
Net operating profit	19,212	20,688	7.7%
Expected Credit Loss	15,270	14,008	-8.3%
Dividends	10,028	12,115	20.8%
Profit before tax	13,978	18,795	34.5%
Tax	-235	2,819	n.m.
Net profit	14,213	15,975	12.4%

TL loans	1,318,830	1,481,990	12.4%
FC loans	783,761	809,593	3.3%
FC loans in \$	18,847	18,847	0.0%
Total loans	2,102,591	2,291,583	9.0%
TL deposits	1,599,075	1,734,996	8.5%
FC deposits	1,251,436	1,357,316	8.5%
FC deposits in \$	30,093	31,598	5.0%
Total deposits	2,850,511	3,092,312	8.5%
Total assets	4,220,641	4,683,652	11.0%
NPL ratio	2.65%	2.97%	0.32
NIM (Swap adj.)	2.08%	3.16%	1.09
CoR (net) bps	2.81%	2.52%	-0.29
Fees (net)/OPEX	94.1%	78.1%	-15.99
ROAE	15.3%	16.4%	1.10
ROAA	1.4%	1.4%	0.05

Source: Seker Invest Research

TSKB (Bank-only, TRYmn)	3Q25	4Q25E	QoQ
Net interest income (inc. Swap)	3,484	4,251	22.0%
Net fee income	140	125	-11.0%
Net trading gains/losses	492	779	58.2%
Other operating income (net)	386	249	-35.5%
Gross operating income	4,502	5,403	20.0%
OPEX	808	948	17.4%
Net operating profit	3,695	4,455	20.6%
Expected Credit Loss	554	2,231	302.6%
Dividends	513	500	-2.4%
Profit before tax	3,641	2,724	-25.2%
Tax	831	681	-18.0%
Net profit	2,810	2,043	-27.3%

TL loans	11,353	12,244	7.8%
FC loans	204,644	221,855	8.4%
FC loans in \$	4,921	5,167	5.0%
Total loans	215,997	234,099	8.4%

TL deposits	0	0	n.a
FC deposits	0	0	n.a
FC deposits in \$	0	0	n.a
Total deposits	0	0	n.a
Total assets	305,480	331,428	8.5%

NPL ratio	0.85%	1.61%	0.76
NIM (Swap adj.)	5.68%	5.57%	-0.11
CoR (net) bps	0.09%	3.54%	3.45
Fees (net)/OPEX	17.3%	13.1%	-4.19
ROAE	27.4%	19.1%	-8.31
ROAA	3.8%	2.5%	-1.25

Source: Seker Invest Research

VAKBN (Bank-only, TRYmn)	3Q25	4Q25E	QoQ
Net interest income (inc. Swap)	31,519	66,207	110.1%
Net fee income	20,605	20,078	-2.6%
Net trading gains/losses	4,355	2,897	-33.5%
Other operating income (net)	1,058	1,321	24.8%
Gross operating income	57,537	90,503	57.3%
OPEX	30,694	34,212	11.5%
Net operating profit	26,843	56,291	109.7%
Expected Credit Loss	10,433	13,585	30.2%
Dividends	0	0	n.m.
Profit before tax	16,412	42,706	160.2%
Tax	4,519	19,303	327.2%
Net profit	11,893	23,403	96.8%

TL loans	1,724,244	1,895,711	9.9%
FC loans	1,013,980	1,104,873	9.0%
FC loans in \$	24,383	25,721	5.5%
Total loans	2,738,224	3,000,584	9.6%

TL deposits	2,213,921	2,435,313	10.0%
FC deposits	918,090	1,000,509	9.0%
FC deposits in \$	22,077	23,292	5.5%
Total deposits	3,132,011	3,435,822	9.7%
Total assets	4,994,270	5,573,081	11.6%

NPL ratio	2.75%	2.94%	0.19
NIM (Swap adj.)	2.77%	5.30%	2.53
CoR (net) bps	1.56%	1.35%	-0.21
Fees (net)/OPEX	67.1%	58.7%	-8.44
ROAE	18.7%	33.9%	15.21
ROAA	1.0%	1.8%	0.78

Source: Seker Invest Research

YKBANK (Bank-only, TRYmn)	3Q25	4Q25E	QoQ
Net interest income (inc. Swap)	14,744	18,803	27.5%
Net fee income	30,195	30,453	0.9%
Net trading gains/losses	6,758	6,035	-10.7%
Other operating income (net)	330	393	19.2%
Gross operating income	52,027	55,685	7.0%
OPEX	30,583	35,804	17.1%
Net operating profit	21,444	19,881	-7.3%
Expected Credit Loss	7,780	9,445	21.4%
Dividends	4,023	4,283	6.5%
Profit before tax	17,688	14,719	-16.8%
Tax	2,626	6,624	152.3%
Net profit	15,062	8,095	-46.3%
TL loans	1,064,209	1,171,703	10.1%
FC loans	525,170	550,537	4.8%
FC loans in \$	12,629	12,816	1.5%
Total loans	1,589,379	1,722,241	8.4%
TL deposits	983,402	1,062,074	8.0%
FC deposits	647,274	734,130	13.4%
FC deposits in \$	15,565	17,090	9.8%
Total deposits	1,630,675	1,796,204	10.2%
Total assets	3,040,767	3,254,390	7.0%
NPL ratio	3.44%	3.77%	0.33
NIM (Swap adj.)	2.29%	2.70%	0.41
CoR (net) bps	1.97%	2.27%	0.30
Fees (net)/OPEX	98.7%	85.1%	-13.68
ROAE	26.0%	13.2%	-12.83
ROAA	2.1%	1.0%	-1.03

Source: Seker Invest Research

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