

1Q26 Banks Earnings Preview

Profitability Divergence in the Banking Sector

Mucahid Yıldırım

Analyst

myildirim@sekeryatirim.com.tr

+90 (212) 334 3333 ext.150

Banks are expected to kick off their 1Q26 earnings season on April 28 with Akbank. For the banks under our coverage, we forecast a 7% QoQ decline in net income, while expecting a 9% YoY increase.

Key themes for 1Q26 are:

- 1) Profitability outlook diverging on the back of base effects and operational dynamics
- 2) Seasonal increase in operating expenses
- 3) Flat-to-negative trend in fee and commission income

Among the banks under our coverage, we expect Yapı Kredi to deliver the strongest QoQ net income growth, while we anticipate a quarter marked by a pronounced divergence in sector-wide profitability trends.

We expect Akbank's net income to increase by 4.2% QoQ to TRY 19.095 billion, supported by an improvement in net interest income in line with the recovery in net interest margin and a strong performance in trading income. On the other hand, the QoQ contraction in fee and commission income and the increase in operating expenses are expected to be the main factors weighing on profitability.

Garanti Bankası is expected to post a 16.9% QoQ increase in net income to TRY 31.043 billion, supported by higher net interest income in line with the modest expansion in net interest margin and the continued strong performance in trading income. Additionally, we foresee limited increases in fee and commission income as well as operating expenses.

At Halkbank, we expect its net interest margin—which has lagged the sector—to recover faster than peers in this quarter. Accordingly, the strong increase in net interest income is likely to be the main driver behind the 25.5% QoQ growth in net income we forecast. On the other hand, the contraction in trading income and income from subsidiaries is expected to weigh on bottom-line performance.

We expect İş Bankası to report net income of TRY 15,174 million in 1Q26, implying a 35% QoQ decline. While we forecast mid-single-digit growth in net interest income, we expect a limited contraction in fee and commission income. Meanwhile, operating expenses are likely to increase, driven by seasonally higher personnel costs in the first quarter.

At TSKB, despite declines in net interest income and trading income, we expect net income to increase by 36.2% QoQ to TRY 2.858 billion, supported by a reduction in loan loss provisions. Additionally, we anticipate that the strong increase in operating expenses—driven by salary hikes and bonus payments—will be another factor weighing on profitability.

For VakıfBank, we expect net income to decline by 48.2% QoQ, primarily driven by a decrease in net interest income stemming from the valuation of CPI-linked securities. In addition, higher operating expenses and an increase in expected loan loss provisions are likely to weigh on bottom-line performance.

For Yapı Kredi, we expect net income to increase by 89% QoQ to TRY 17.49 billion, supported by the strong performance in net interest income and trading income.

We expect the normalization of net income—following the elevated level in the previous quarter driven by one-off gains—to lead to a QoQ decline in net profit for Albaraka Türk.

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

Banks	1Q25	4Q25	1Q26E	QoQ	YoY	Highlights	Date	Impact
AKBNK	13.727	18.331	19.095	4,2%	39,1%	Continued improvement in net interest margin Decline in fee and commission income alongside an increase in operating expenses	28 April	Positive
GARAN	25.284	26.563	31.043	16,9%	22,8%	Limited expansion in net interest margin Trading income supports profitability	29 April	Positive
HALKB	7.051	6.927	8.692	25,5%	23,3%	Strong growth in net interest income, offset by a contraction in trading and affiliate income	4-8 May	Positive
ISCTR	12.418	23.438	15.174	-35,3%	22,2%	Flat trajectory in net interest margin, decline in fee and commission income, coupled with an increase in operating expenses	5 May	Neutral
TSKB	3.095	2.098	2.858	36,2%	-7,7%	Net income growth driven by a decline in expected credit loss (ECL) provisions	29 April	Neutral
VAKBN	20.034	28.094	14.565	-48,2%	-27,3%	Decline in net interest income and margins, driven by lower CPI-linker income	4-8 May	Negative
YKBNK	11.418	9.280	17.499	88,6%	53,3%	Increase in net interest income, with strong QoQ net profit growth driven by base effects	29 April	Negative
ALBRK	7.846	3.375	886	-73,7%	-88,7%	The absence of one-off gains recorded in 4Q, has been the key driver of the QoQ decline in net income.	7 May	Neutral
Total	100.873	118.106	109.811	-7,0%	8,9%			

Source: Şeker Invest Research

Akbank

For Akbank, we expect net income to reach TRY 19.095 billion in 1Q26, up 4.2% QoQ. Despite a projected 14.4% increase in net interest income, the contraction in fee and commission income and the rise in operating expenses are expected to be the main factors weighing on net income.

Garanti BBVA

For Garanti Bankası, we expect net income to reach TRY 31.043 billion in 1Q26, up 17% QoQ. We anticipate a modest QoQ expansion in net interest margin, while fee and commission income is expected to remain flat and operating expenses to post a limited increase. Additionally, net trading income is likely to be one of the key factors supporting profitability.

HalkBank

For Halkbank, we expect net income to reach TRY 8.692 billion in 1Q26, up 25.5% QoQ. We estimate that the 25% increase in net interest income will be the main driver supporting profitability. However, the contraction in trading income and income from subsidiaries is expected to exert downward pressure on earnings.

Isbank

We expect İş Bankası to report net income of TRY 15,174 million in 1Q26, implying a 35% QoQ decline. While we forecast a 7.5% increase in net interest income, we expect the net interest margin (NIM) to remain flat. We anticipate a limited contraction in fee and commission income, alongside a 15% increase in operating expenses driven by personnel costs. Meanwhile, we expect affiliate income to exceed TRY 10 billion.

VakifBank

We expect VakıfBank to report a 48% QoQ decline in net income. The main driver of this decline is the high base effect stemming from CPI-indexed securities (CPI-linker) income—linked to lower in-year inflation—which was reflected in 4Q25. In addition, we expect the decline in net interest income due to CPI-linker revaluation, along with increases in operating expenses and expected credit loss (ECL) provisions, to weigh on profitability in this quarter.

Yapi Kredi Bank

We expect Yapı Kredi Bankası to report net income of TRY 17,499 million in 1Q26, implying a strong 88.6% QoQ increase. We believe the low base—driven by the elevated effective tax rate in the previous quarter—will be the key driver of this growth. In addition, we expect increases in net interest income and trading income to support profitability.

TSKB

We expect TSKB to report net income of TRY 2,858 million in 1Q26, implying a 36.2% QoQ increase, supported by a decline in expected credit loss (ECL) provisions. However, we believe that contractions in net interest income, fee and commission income, and trading income will weigh on profitability.

ALBRK

We expect Albaraka Türk to report net income of TRY 886 million, implying a 73.7% QoQ decline. We believe the projected 57% drop in net interest income will be the primary drag on profitability, while the base effect stemming from one-off gains in net interest income recorded in 4Q25 will be a key driver of this decline.

AKBNK (Bank-only, TRYmn)	4Q25	1Q26E	QoQ	GARAN (Bank-only, TRYmn)	4Q25	1Q26E	QoQ
Net interest income (inc. Swap)	22.548	25.798	14,4%	Net interest income (inc. Swap)	46.211	50.252	8,7%
Net fee income	32.502	29.929	-7,9%	Net fee income	40.546	41.007	1,1%
Net trading gains/losses	5.216	11.006	111,0%	Net trading gains/losses	3.087	3.978	28,9%
Other operating income (net)	676	696	3,0%	Other operating income (net)	1.839	1.766	-4,0%
Gross operating income	60.941	67.429	10,6%	Gross operating income	91.683	97.002	5,8%
OPEX	28.928	34.801	20,3%	OPEX	47.134	48.758	3,4%
Net operating profit	32.013	32.627	1,9%	Net operating profit	44.550	48.244	8,3%
Expected Credit Loss	7.965	9.635	21,0%	Expected Credit Loss	47.134	48.757	3,4%
Dividends	3.419	3.345	-2,2%	Dividends	7.827	8.104	3,5%
Profit before tax	27.467	26.337	-4,1%	Profit before tax	37.861	41.949	10,8%
Tax	9.136	7.243	-20,7%	Tax	11.298	10.907	-3,5%
Net profit	18.331	19.095	4,2%	Net profit	26.563	31.043	16,9%
TL loans	1.235.540	1.325.587	7,3%	TL loans	1.620.597	1.741.803	7,5%
FC loans	481.248	486.996	1,2%	FC loans	580.779	616.175	6,1%
FC loans in \$	10.827	10.957	1,2%	FC loans in \$	13.527	13.863	2,5%
Total loans	1.716.788	1.812.583	5,6%	Total loans	2.201.377	2.357.978	7,1%
TL deposits	1.355.137	1.422.894	5,0%	TL deposits	1.622.745	1.662.502	2,5%
FC deposits	716.443	759.430	6,0%	FC deposits	940.760	1.004.558	6,8%
FC deposits in \$	16.119	17.086	6,0%	FC deposits in \$	21.911	22.601	3,2%
Total deposits	2.071.580	2.182.324	5,3%	Total deposits	2.563.506	2.667.061	4,0%
Total assets	3.336.007	3.624.256	8,6%	Total assets	3.820.942	4.027.379	5,4%
NPL ratio	3,66%	3,71%	0,05	NPL ratio	3,52%	3,66%	0,14
NIM (Swap adj.)	3,13%	3,28%	0,14	NIM (Swap adj.)	5,70%	5,80%	0,09
CoR (net) bps	1,87%	2,04%	0,17	CoR (net) bps	2,63%	2,52%	-0,11
Fees (net)/OPEX	112,35%	86,00%	-26,35	Fees (net)/OPEX	86,0%	84,1%	-1,92
ROAE	25,0%	24,2%	-0,75	ROAE	24,9%	27,6%	2,78
ROAA	2,3%	2,2%	-0,11	ROAA	2,9%	3,2%	0,26

Source: Seker Invest Research

Source: Seker Invest Research

HALKB (Bank-only, TRYmn)	4Q25	1Q26E	QoQ
Net interest income (inc. Swap)	22.365	28.038	25,4%
Net fee income	17.800	17.186	-3,4%
Net trading gains/losses	2.924	29	-99,0%
Other operating income (net)	3.229	1.642	-49,1%
Gross operating income	46.318	46.895	1,2%
OPEX	31.215	33.387	7,0%
Net operating profit	15.103	13.508	-10,6%
Expected Credit Loss	9.567	5.516	-42,3%
Dividends	7.066	3.674	-48,0%
Profit before tax	12.602	11.667	-7,4%
Tax	5.675	2.975	n.m.
Net profit	6.927	8.692	25,5%

TL loans	1.334.901	1.454.681	9,0%
FC loans	580.335	621.779	7,1%
FC loans in \$	13.516	13.989	3,5%
Total loans	1.915.236	2.076.460	8,4%

TL deposits	2.216.157	2.094.268	-5,5%
FC deposits	1.270.962	1.289.394	1,5%
FC deposits in \$	29.602	29.010	-2,0%
Total deposits	3.487.119	3.383.662	-3,0%
Total assets	4.292.781	4.464.418	4,0%

NPL ratio	3,99%	4,15%	0,16
NIM (Swap adj.)	2,33%	2,78%	0,44
CoR (net) bps	1,99%	1,03%	-0,96
Fees (net)/OPEX	57,0%	51,5%	-5,55
ROAE	13,3%	15,8%	2,44
ROAA	0,7%	0,8%	0,13

Source: Seker Invest Research

ISCTR (Bank-only, TRYmn)	4Q25	1Q26E	QoQ
Net interest income (inc. Swap)	31.142	33.474	7,5%
Net fee income	38.582	37.631	-2,5%
Net trading gains/losses	-237	1.839	-875,0%
Other operating income (net)	7.830	1.553	-80,2%
Gross operating income	77.316	74.497	-3,6%
OPEX	45.610	52.564	15,2%
Net operating profit	31.707	21.933	-30,8%
Expected Credit Loss	16.387	16.144	-1,5%
Dividends	14.277	10.268	-28,1%
Profit before tax	29.606	16.057	-45,8%
Tax	6.167	883	n.m.
Net profit	23.438	15.174	-35,3%

TL loans	1.491.197	1.608.256	7,9%
FC loans	826.923	870.588	5,3%
FC loans in \$	19.260	19.587	1,7%
Total loans	2.318.120	2.478.844	6,9%

TL deposits	1.737.716	1.786.372	2,8%
FC deposits	1.361.183	1.472.515	8,2%
FC deposits in \$	31.703	33.129	4,5%
Total deposits	3.098.900	3.258.887	5,2%
Total assets	4.624.940	4.932.076	6,6%

NPL ratio	3,18%	3,33%	0,15
NIM (Swap adj.)	3,22%	3,21%	-0,01
CoR (net) bps	2,77%	2,52%	-0,26
Fees (net)/OPEX	84,6%	71,6%	-13,00
ROAE	23,2%	14,1%	-9,09
ROAA	2,1%	1,3%	-0,85

Source: Seker Invest Research

TSKB (Bank-only, TRYmn)	4Q25	1Q26E	QoQ
Net interest income (inc. Swap)	3.747	3.397	-9,3%
Net fee income	124	106	-14,6%
Net trading gains/losses	1.267	570	-55,0%
Other operating income (net)	508	620	22,1%
Gross operating income	5.647	4.694	-16,9%
OPEX	978	1.232	26,0%
Net operating profit	4.669	3.461	-25,9%
Expected Credit Loss	2.478	400	-83,9%
Dividends	622	638	2,5%
Profit before tax	2.744	3.699	34,8%
Tax	646	842	30,2%
Net profit	2.098	2.858	36,2%

TL loans	15.565	15.960	2,5%
FC loans	219.166	232.327	6,0%
FC loans in \$	5.105	5.227	2,4%
Total loans	234.731	248.287	5,8%

TL deposits	0	0	<i>n.a</i>
FC deposits	0	0	<i>n.a</i>
FC deposits in \$	0	0	<i>n.a</i>
Total deposits	0	0	<i>n.a</i>
Total assets	326.657	353.302	8,2%

NPL ratio	2,33%	2,20%	-0,13
NIM (Swap adj.)	4,93%	4,18%	-0,75
CoR (net) bps	4,34%	0,72%	-3,63
Fees (net)/OPEX	12,7%	8,6%	-4,10
ROAE	19,0%	23,8%	4,78
ROAA	2,7%	3,2%	0,58

Source: Seker Invest Research

VAKBN (Bank-only, TRYmn)	4Q25	1Q26E	QoQ
Net interest income (inc. Swap)	60.365	52.473	-13,1%
Net fee income	19.373	18.632	-3,8%
Net trading gains/losses	3.017	2.590	-14,1%
Other operating income (net)	3.055	2.484	-18,7%
Gross operating income	85.811	76.180	-11,2%
OPEX	34.730	38.645	11,3%
Net operating profit	51.081	37.535	-26,5%
Expected Credit Loss	8.803	17.376	97,4%
Dividends	0	0	n.m.
Profit before tax	42.284	20.229	-52,2%
Tax	14.190	5.664	-60,1%
Net profit	28.094	14.565	-48,2%

TL loans	1.817.674	1.888.146	3,9%
FC loans	1.107.556	1.186.614	7,1%
FC loans in \$	25.796	26.697	3,5%
Total loans	2.925.230	3.074.760	5,1%

TL deposits	2.439.188	2.390.405	-2,0%
FC deposits	1.010.006	1.071.704	6,1%
FC deposits in \$	23.524	24.112	2,5%
Total deposits	3.449.195	3.462.108	0,4%
Total assets	5.388.290	5.653.115	4,9%

NPL ratio	2,88%	3,07%	0,18
NIM (Swap adj.)	4,98%	4,08%	-0,90
CoR (net) bps	0,64%	1,76%	1,11
Fees (net)/OPEX	55,8%	48,2%	-7,57
ROAE	38,4%	17,9%	-20,47
ROAA	2,2%	1,1%	-1,11

Source: Seker Invest Research

YKBNK (Bank-only, TRYmn)	4Q25	1Q26E	QoQ
Net interest income (inc. Swap)	19.180	21.713	13,2%
Net fee income	30.565	30.829	0,9%
Net trading gains/losses	6.369	9.828	54,3%
Other operating income (net)	1.117	1.236	10,7%
Gross operating income	57.230	63.606	11,1%
OPEX	35.664	35.857	0,5%
Net operating profit	21.566	27.749	28,7%
Expected Credit Loss	9.030	9.551	5,8%
Dividends	4.225	4.352	3,0%
Profit before tax	16.762	22.551	34,5%
Tax	7.481	5.051	-32,5%
Net profit	9.280	17.499	88,6%
TL loans	1.168.560	1.235.465	5,7%
FC loans	547.510	575.216	5,1%
FC loans in \$	12.752	12.942	1,5%
Total loans	1.716.069	1.810.681	5,5%
TL deposits	1.062.851	1.078.794	1,5%
FC deposits	720.609	757.169	5,1%
FC deposits in \$	16.783	17.035	1,5%
Total deposits	1.783.460	1.835.963	2,9%
Total assets	3.171.616	3.422.822	7,9%
NPL ratio	3,81%	3,92%	0,11
NIM (Swap adj.)	2,80%	3,01%	0,20
CoR (net) bps	2,17%	2,14%	-0,03
Fees (net)/OPEX	85,7%	86,0%	0,28
ROAE	14,9%	26,8%	11,90
ROAA	1,2%	2,1%	0,93

Source: Seker Invest Research

ŞEKER INVEST RESEARCH

Şeker Yatırım Menkul Değerler A.Ş.
Buyukdere Cad. No:171 Metrocity
A Blok Kat 4-5 34330 SİSLİ /İST
TURKEY

TEL: +90 (212) 334 33 33
Fax: +90 (212) 334 33 34
E-mail: research@sekeryatirim.com
Web: <http://www.sekeryatirim.com/english/index.aspx>

For additional information, please contact:

Research

Kadir Tezeller	Head	+90 (212) 334 33 81	ktezeller@sekeryatirim.com.tr
Burak Demirbilek	Utilities	+90 (212) 334 33 33-128	bdemirbilek@sekeryatirim.com.tr
Atasav Can Tuglu	Food & Beverages, Automotive, Retail, Aviation	+90 (212) 334 33 33-334	atuglu@sekeryatirim.com.tr
Basak Kamber	Glass, Pharmaceutical, Defense, Telcos, Cons. Dur.	+90 (212) 334 33 33-251	bkamber@sekeryatirim.com.tr
M. Mucahid Yıldırım	Banks	+90 (212) 334 33 33-150	myildirim@sekeryatirim.com.tr
Yusuf Kemal Erdekli	Cement, Conglomerates, Real Estate	+90 (212) 334 33 33-115	yerdekli@sekeryatirim.com.tr
O. Furkan Ozdemir	Iron & Steel, Oil- Gas & Deriv.	+90 (212) 334 33 33-245	oozdemir@sekeryatirim.com.tr

Economy & Politics

Abdulkadir Dogan	Chief Economist	+90 (212) 334 91 04	adogan@sekeryatirim.com.tr
------------------	-----------------	---------------------	--

Institutional Sales

Deniz Keskin	Trader	+90 (212) 334 33 36	dkeskin@sekeryatirim.com.tr
Kerim Culum	Trader	+90 (212) 334 33 33-316	kculum@sekeryatirim.com.tr

DISCLAIMER

I, Mücahid Yıldırım, hereby certify that the views expressed in this research accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

This report has been prepared by the Şeker Yatırım Menkul Değerler A.Ş. (Şeker Invest, Inc.) Research Team. The information and opinions contained herein have been obtained from and are based upon public sources that Şeker Invest considers to be reliable. No representation or warranty, express or implied, is made that such information is accurate or complete and should not be relied upon, as such. All estimates and opinions included in this report constitute our judgments as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors as they believe necessary. Şeker Invest may, from time to time, have a long or short position in the securities mentioned in this report and may solicit, perform or have performed investment banking, underwriting or other services (including acting as adviser, manager, underwriter or lender) for any company referred to in this report and may, to the extent permitted by law, have acted upon or used the information contained herein, or the research or analysis upon which it is based, before its publication. This report is for the use of intended recipients and may not be reproduced in whole or in part or delivered or transmitted to any other person without the prior written consent of Şeker Invest. By accepting this document you agree to be bound by the foregoing limitations.

Copyright © 2026 Şeker Invest