

2Q26 Banks' Profit Expectations

Garanti BBVA

Mücahid Yıldırım

Analyst

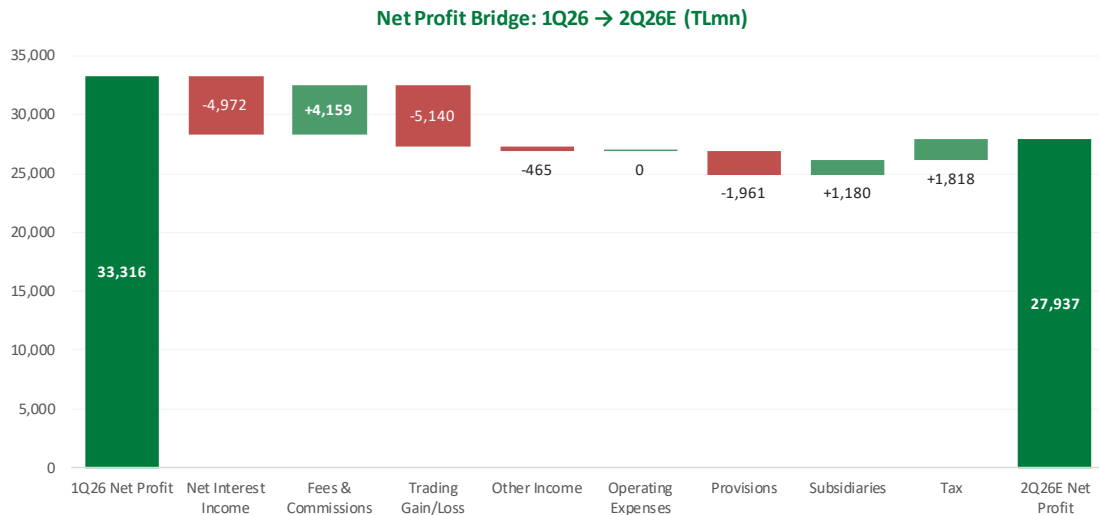
myildirim@sekeryatirim.com.tr

+90 (212) 334 3333 (150)

We forecast Garanti Bank's 2Q26 solo net income to decline by 16.1% QoQ to TRY 27,937mn (down 1.4% YoY). For this quarter, we anticipate that the contraction in net interest income, weaker trading income, and provisions—which we expect to rise by 11.8% QoQ to TRY 18,547mn—will be the primary headwinds weighing on profitability. On the other hand, we expect the projected robust 10.0% QoQ growth in net fees and commissions to cushion the decline in net income. While our expectation of higher provisions pushes our net cost of risk forecast up to 3.05%, it also drags our return on equity expectation down to 24.0%. Lastly, we anticipate the swap-adjusted net interest margin to compress by 97 bps QoQ to 4.78% this quarter. Garanti Bank is expected to announce its 2Q26 financial results on July 30.

GARAN (Bank-only, TLmn)	2Q25	1Q26	2Q26E	QoQ	YoY
Net interest income (incl. swap)	29,813	49,745	44,772	-10.0%	50.2%
Swap costs	-2,946	-11,071	-11,071	0.0%	275.8%
Net fees and commissions income	34,482	41,595	45,754	10.0%	32.7%
Net trading gain/loss	4,161	6,240	1,100	-82.4%	-73.6%
Other operating income (net)	2,491	2,470	2,005	-18.8%	-19.5%
Operating expenses	35,072	48,587	48,586	0.0%	38.5%
Expected credit losses (net)	8,342	16,586	18,547	11.8%	122.3%
Dividend income	7,381	9,080	10,260	13.0%	39.0%
Pre-tax profit/loss	34,914	43,957	36,759	-16.4%	5.3%
Tax provisions	6,588	10,640	8,822	-17.1%	33.9%
Net profit/loss	28,326	33,316	27,937	-16.1%	-1.4%
Shareholders' equity	377,604	451,316	479,154	6.2%	26.9%
Net Interest Margin (swap adjusted)	4.24%	5.75%	4.78%	-97 bps	54 bps
Net Cost of Risk	1.9%	2.4%	3.05%	0.65	1.20
Return on Equity	31.6%	29.8%	24.0%	-5.74	-7.58
Return on Assets	3.6%	3.4%	2.6%	-0.75	-0.96

Source: Seker Invest Research



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 /IST
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