2Q26 Banks' Profit Expectations

Albaraka Türk

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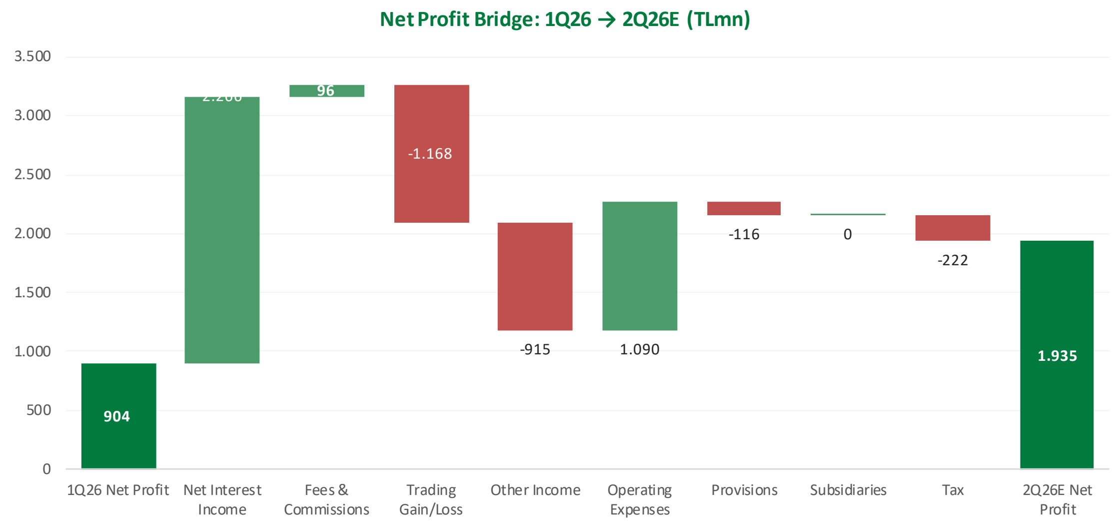
We project Albaraka Turk's 2Q26 solo net income to jump by 114.2% quarter-on-quarter to TRY 1,935m, representing a 54.2% year-on-year increase. During this quarter, we anticipate profitability mainly being driven by robust quarter-on-quarter expansion of 106.3% in net interest income (including swap costs) and a 20.2% contraction in operating expenses. On the flip side, we evaluate that the growth in net income will be weighed down by a 70.1% quarter-on-quarter decline in net trading income, alongside a 41.4% drop in other operating income. While our expectation of higher provisions lifts our net cost of risk forecast to 1.46%, it drives our ROE expectation to 29.2%. Finally, we expect swap-adjusted net interest margin expansion of 176 basis points quarter-on-quarter, rising to 3.66%. Albaraka Turk is expected to announce its 2Q26 financial results on August 6.

ALBRK (Bank-only, TLmn)	2Q25	1Q26	2Q26E	QoQ	YoY
Net interest income (incl. swap)	-241	2,133	4,399	106.3%	n.m.
Swap costs	-810	-1,065	-1000	-6.1%	23.5%
Net fees and commissions income	1,186	1,331	1,427	7.2%	20.3%
Net trading gain/loss	1,919	1,666	498	-70.1%	-74.0%
Other operating income (net)	1,899	2,212	1,297	-41.4%	-31.7%
Operating expenses	2,970	5,382	4,293	-20.2%	44.5%
Expected credit losses (net)	1,264	852	968	13.6%	-23.4%
Dividend income	0	0	1	113.2%	208.9%
Pre-tax profit/loss	529	1,107	2,360	113.2%	346.3%
Tax provisions	-727	203	425	109.1%	n.m.
Net profit/loss	**1,256**	**904**	**1,935**	**114.2%**	**54.2%**
Shareholders' equity	19,878	25,578	27,514	*7.6%*	*38.4%*
Net Interest Margin (swap adjusted)	-0.28%	1.90%	3.66%	*176 bps*	*394 bps*
Net Cost of Risk	2.8%	1.4%	1.46%	*0.08*	*-1.36*
Return on Equity	26.1%	14.2%	29.2%	*14.96*	*3.05*
Return on Assets	1.4%	0.7%	1.5%	*0.74*	*0.13*

Source: Seker Invest Research



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