2Q26 Banks' Profit Expectations

Isbank

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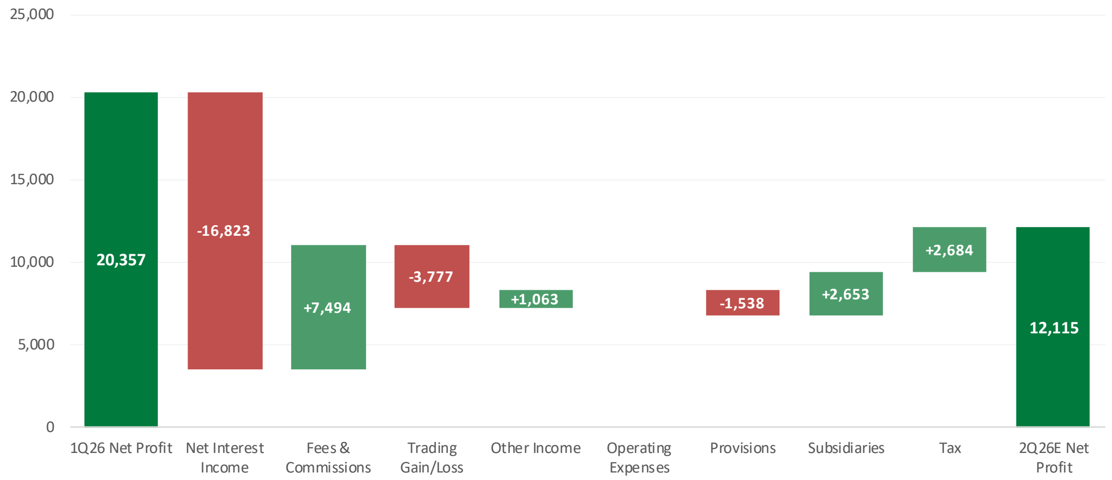
We expect Isbank's 2Q26 bank-only net income to decline by 40.5% quarter-on-quarter to TRY 12,115mn (down 30.3% year-on-year). We estimate that the main factors weighing on profitability in the quarter will be net interest income, which we expect to contract by 50.0% to TRY 16,851mn, driven in part by a 53.2% quarterly increase in swap costs, together with the loss on the trading line and provisioning expenses, which we expect to rise by 12.1% q/q to TRY 14,237mn. On the other hand, the strong 19.7% quarterly growth we project in net fees and commissions income would limit the earnings decline. Our expectation of higher provisions lifts our net cost of risk estimate to 2.05%, while bringing our return on equity expectation down to 11.4%. Finally, we expect the swap-adjusted net interest margin to narrow by 174 basis points to 1.49% in the quarter. Isbank is expected to announce its 2Q26 financial results on 3 August.

ISCTR (Bank-only, TLmn)	2Q25	1Q26	2Q26E	QoQ	YoY
Net interest income (incl. swap)	8,641	33,674	16,851	-50.0%	95.0%
Swap costs	-6,250	-8,086	-12,388	53.2%	98.2%
Net fees and commissions income	32,772	38,075	45,569	19.7%	39.0%
Net trading gain/loss	741	3,277	-500	n.m.	n.m.
Other operating income (net)	756	2,152	3,225	49.8%	326.3%
Operating expenses	34,575	53,603	53,603	0.0%	55.0%
Expected credit losses (net)	7,053	12,699	14,237	12.1%	101.9%
Dividend income	14,679	12,279	14,933	21.6%	1.7%
Pre-tax profit/loss	16,152	23,164	12,238	-47.2%	-24.2%
Tax provisions	-1,220	2,807	122	-95.6%	n.m.
Net profit/loss	**17,372**	**20,357**	**12,115**	**-40.5%**	**-30.3%**
Shareholders' equity	360,538	420,575	433,261	*LİYO*	*20.2%*
Net Interest Margin (swap adjusted)	1.03%	3.24%	1.49%	*-174 bps*	*47 bps*
Net Cost of Risk	1.4%	2.0%	2.05%	*0.08*	*0.63*
Return on Equity	20.2%	19.2%	11.4%	*-7.85*	*-8.88*
Return on Assets	1.8%	1.7%	0.9%	*-0.76*	*-0.88*

Source: Seker Invest Research

Net Profit Bridge: 1Q26 → 2Q26E (TLmn)



Source: Seker Invest Research

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