Şeker Invest

TSKB

2Q26 Earnings review

Earnings In Line, 2026 Guidance Unchanged

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TSKB posted TRY 2,952mn net income in its 2Q26 bank-only financials (+3.2% QoQ, -12.7% YoY). The result came in line with both our estimate and the market consensus median. Quarterly ROE stood at 24.4%, with ROA at 3.3%.

Net interest income rose 4.8% QoQ to TRY 4,162mn, while swap costs declined 4.2% to TRY 618mn. Accordingly, swap-adjusted net interest income increased 6.6% QoQ to TRY 3,544mn, and the swap-adjusted net interest margin remained flat QoQ at 4.10%. On the margin composition, the FX loan yield rose 36bps to 7.47%, while the cost of borrowing increased by only 5bps to 7.70%. The absence of a deposit funding base sheltered the bank from the sharp increase in TRY deposit costs. CPI-linked securities income rose 27.2% QoQ to TRY 809mn, providing meaningful support to margin preservation.

Fee performance was the strongest aspect of the quarter. Net fee and commission income rose 61.5% QoQ and 124.3% YoY to TRY 204mn. In 6M26, the YoY increase reached 104%, well above the bank's >50% guidance. Operating expenses increased 12.5% QoQ to TRY 1,225mn (staff costs +10.8% QoQ; +36.0% YoY). Dividend income rose 157% QoQ to TRY 1,087mn on seasonality, while trading income fell 32.1% QoQ to TRY 350mn.

On asset quality, the NPL ratio improved by 11bps to 2.12%; the share of Stage 2 loans, however, rose to 7.19% from 6.27% (balance: TRY 19.31bn from TRY 15.97bn). The Stage 3 coverage ratio was flat at 74.0%, while the Stage 2 coverage ratio declined to 31.1% from 32.3%. The net cost of risk came in at 121bps for the quarter.

The bank maintained all of its 2026 year-end guidance: swap-adjusted NIM of 4.5%, ROE of 25%, FX-adjusted loan growth in the low double digits, fee and commission income growth of >50%, operating expense growth above average inflation, net cost of risk (excluding the currency impact) of 50bps, and an NPL ratio of 2.5%.

We view the 2Q26 financials as "**Neutral**", given the in-line print. We revise our 12-month target price to TRY 18.00 from TRY 20.06. Our target price implies 66% upside from current levels, and we maintain our "OUTPERFORM" recommendation. The shares trade at 2.4x 2026E P/E and 0.56x P/BV, with an ROE of 24.9%.

Rating	**Outperform**
Target price (TRY)	**18,00**
Upside	**66%**
Previous rating	Outperform
Previous target price (TRY)	20,06

	TRY	US$
Close	10,84	0,23
BIST 100	13.502	285
US$/TRY (CBT Bid Rate):	47,31	
52 Week High:	14,05	0,34
52 Week Low:	10,58	0,23
Bloomberg Ticker:	TSKB.TI	

Number of Shares (Mn):	2.800

	(TRY Mn)	(US$ Mn)
Current Mcap:	30.352	642
Free Float Mcap:	11.837	250
Avg. Daily Volume:	347	191

Expectations (TRY mn)	Actual	Seker	Diff.	Cons.	Diff.
Net income	2.952	2.874	2,7%	2.898	1,9%

2Q26	1Q26	2Q26	QoQ	2Q25	YoY
Net income (TRY mn)	2.860	2.952	3%	3.380	-13%

Forecasts (TRY mn)	2023A	2024A	2025A	2026E	2027E
Net income	7.041	10.135	11.383	12.407	14.382
BV	21.412	32.479	45.651	53.744	67.632

Valuation	2023A	2024A	2025A	2026E	2027E
P/E (x)	2,6	3,4	2,7	2,4	2,1
P/BV (x)	0,86	1,05	0,66	0,56	0,45
ROAA	5,0%	4,9%	4,0%	3,3%	3,0%
ROAE	41,2%	38,1%	29,1%	24,9%	23,0%

Returns (%)	1 M	3M	6M	12M	YtD
TRY Return:	-10,0	-7,7	-18,3	-16,0	-8,0
US$ Return:	-11,6	-12,3	-25,2	-28,1	-16,6
BIST 100 Relative:	-5,5	-2,2	-16,3	-34,7	-23,3

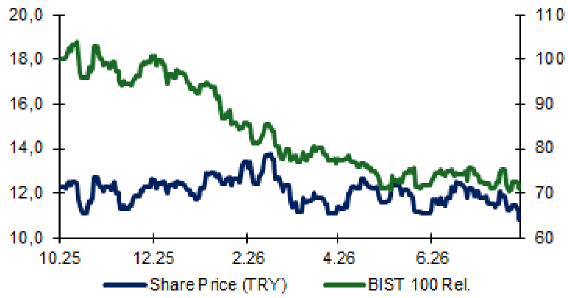


Figure 1: Summary balance sheet

(Bank-only, TRYmn)	6M25	3M26	6M26	QoQ	YoY	YtD
Security portfolio	51.448	57.193	60.521	5,8%	17,6%	6,2%
Loans	205.374	254.854	268.621	5,4%	30,8%	5,4%
Total assets	**286.855**	**346.391**	**369.463**	**6,7%**	**28,8%**	6,7%
Banks and interbank borrowing	**238.455**	**293.519**	**312.951**	**6,6%**	**31,2%**	14,0%
TRY	17.286	16.531	16.192	-2,1%	-6,3%	310,7%
FC	221.169	276.988	296.759	7,1%	34,2%	9,6%
FC (in $)	5.565	6.241	6.374	2,1%	14,5%	1,0%
Shareholder's equity	39.439	46.371	50.251	8,4%	27,4%	10,1%
Total liabilities	**286.855**	**346.391**	**369.463**	**6,7%**	**28,8%**	**13,1%**

Source: Bank financials, Seker Invest Research

Figure 2: Summary income statement

(Bank-only, TRYmn)	2Q25	1Q26	2Q26	QoQ	YoY	Jun.25	Jun.26	YoY
Net interest income (Swap adj)	3.612	3.325	3.544	6,6%	-1,9%	6.740	6.869	1,9%
Net fee and commission income	91	126	204	61,5%	124,3%	162	330	103,7%
Dividends	801	422	1.087	157,3%	35,6%	1.329	1.509	13,5%
Net trading gain/loss	493	515	350	-32,1%	-29,0%	861	865	0,4%
Other operating income (Net)	1.440	474	842	77,6%	-41,5%	2.182	1.316	-39,7%
Provisions (net)	-444	29	845	2855,5%	-290,2%	-513	874	-270,5%
OPEX	901	1.088	1.225	12,5%	36,0%	1.582	2.313	46,2%
Net operating profit before taxes	4.496	3.748	3.910	4,3%	-13,0%	8.437	7.658	-9,2%
Tax provision	1.116	888	958	8,0%	-14,1%	1.962	1.846	-5,9%
Net profit	**3.380**	**2.860**	**2.952**	**3,2%**	**-12,7%**	**6.475**	**5.812**	**-10,2%**

Source: Bank financials, Seker Invest Research

Figure 3: Balance sheet ratios

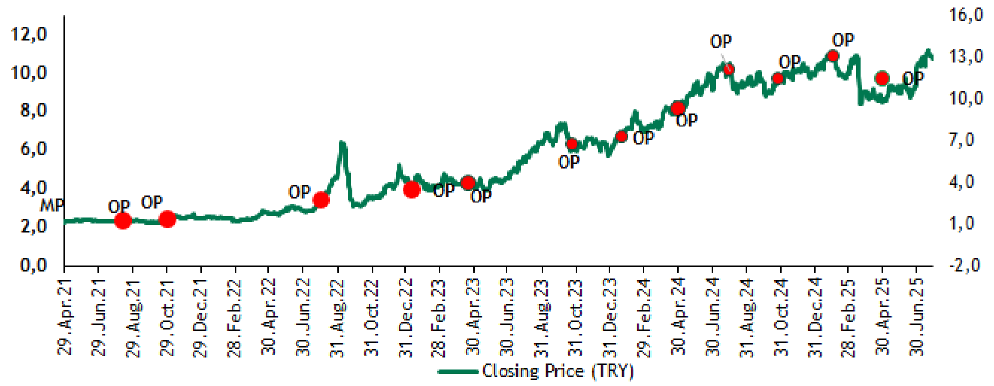
Asset quality	2Q25	1Q26	2Q26	QoQ	YoY	YtD
NPL Ratio	1,7%	2,3%	2,1%	-0,2%	0,5%	-0,2%
Total CoR (Quarterly)	-0,87%	0,04%	1,21%	1,2%	2,1%	1,2%
Total CoR (Cumulative)	-0,53%	0,04%	0,65%	0,6%	1,2%	0,6%
Stage 1 loans/Total loans	92,2%	91,5%	90,7%	-0,8%	-1,5%	-0,8%
Stage 2 loans/Total loans	6,9%	6,3%	7,2%	0,9%	0,3%	0,9%
Total provisions/NPL	391,5%	187,5%	202,1%	14,6%	-189,5%	14,6%
Capital adequacy and leverage	**2Q25**	**1Q26**	**2Q26**	**QoQ**	**YoY**	**YtD**
CET1	17,6%	13,7%	13,9%	0,2%	-3,7%	0,2%
Tier I	23,0%	17,8%	17,9%	0,1%	-5,1%	0,1%
CAR	24,1%	18,9%	19,0%	0,1%	-5,1%	0,1%
Leverage	7,3	7,5	7,4	- 0,12	0,08	-11,8%
Currency breakdown	**2Q25**	**1Q26**	**2Q26**	**QoQ**	**YoY**	**YtD**
TRY Loans/Loans	6,1%	6,6%	6,3%	-0,3%	0,2%	-0,3%
FX Loans /Loans	93,9%	93,4%	93,7%	0,3%	-0,2%	0,3%

Source: Bank financials, Seker Invest Research

Figure 4: Profitability ratios (Quarterly)	2Q25	1Q26	2Q26	QoQ	YoY	YtD
ROAA	4,9%	3,4%	3,3%	-0,10%	-1,65%	-0,10%
ROAE	36,3%	24,9%	24,4%	-0,42%	-11,82%	-0,42%
NIM (Swap adj.)	5,4%	4,1%	4,1%	0,01%	-1,26%	0,01%
Figure 4: Profitability ratios (Cumulative)	**2Q25**	**1Q26**	**2Q26**	**QoQ**	**YoY**	**YtD**
ROAA	5,0%	3,4%	3,3%	-0,05%	-1,65%	-0,05%
ROAE	36,3%	24,9%	24,5%	-0,35%	-11,77%	-0,35%
NIM (Swap adj.)	5,5%	4,1%	4,1%	0,00%	-1,37%	0,00%

Source: Bank financials, Seker Invest Research

Historical Recommendation and Target Prices (TRY)



Source: Seker Invest Research

Date	Recommendation	Target Price (TRY)
22.Jan.18	Outperform (OP)	1,41
08.Jun.18	Outperform (OP)	1,30
30.Jul.18	Market Perform (MP)	0,94
09.Oct.18	Market Perform (MP)	0,87
17.Jan.19	Market Perform (MP)	0,83
07.Jun.19	Market Perform (MP)	0,76
05.Aug.19	Outperform (OP)	1,00
09.Oct.19	Outperform (OP)	1,19
14.Jan.20	Outperform (OP)	1,50
13.Apr.20	Outperform (OP)	1,16
03.May.20	Market Perform (MP)	1,05
03.Nov.20	Underperform (UP)	1,30
18.Jan.21	Market Perform (MP)	1,51
03.May.21	Market Perform (MP)	1,35
04.Aug.21	Outperform (OP)	1,80
01.Nov.21	Outperform (OP)	1,95
20.Jan.22	Outperform (OP)	2,35
02.Aug.22	Outperform (OP)	3,15
01.Nov.22	Outperform (OP)	4,60
12.Jan.23	Outperform (OP)	5,39
31.Jul.23	Outperform (OP)	7,30
31.Oct.23	Outperform (OP)	9,55
12.Jan.24	Outperform (OP)	10,89
02.May.24	Outperform (OP)	12,13
01.Aug.24	Outperform (OP)	18,18
31.Oct.24	Outperform (OP)	18,18
07.Jan.25	Outperform (OP)	18,18
28.Oct.25	Outperform (OP)	18,86
04.Feb.26	Outperform (OP)	20,06
30.Apr.26	Outperform (OP)	20,06

Source: Seker Invest Research

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