

Akbank

24/10/2025

BUY

Review of 3Q25 Financials

Upside Potential 43%

Akbank 3Q25: NIM Recovery Gathers Pace, Fee Growth Remains Strong

Slightly above our TL 13.57 bn estimate, Akbank posted TL 14 bn net earnings in 3Q25, 3.2% higher than we had forecasted, driven by a milder margin recovery and sustained fee income strength. Strong topline performance translated into solid bottom-line growth, lifting 9M25 net income to TL 38.9 bn — up 17% YoY and 26% QoQ. Annualized RoAE stood at 21% in 3Q25, up by around 230 bps QoQ and 500 bps YoY.

Revenues rose by 48% YoY and 28% QoQ, supported by strong fee income generation and the start of recovery in net interest income (NII) during 3Q25. NII started to improve as the effects of the easing cycle began to transmit through the financials, providing renewed support to core revenues. After funding costs peaked at 2Q amid market volatility, NIM recovery began in 3Q25 as funding dynamics improved. Margins expanded during the quarter, with swap-adjusted NIM up by 73 bps QoQ and CPI-normalized NIM also rising by 50 bps QoQ. The higher exit NIM in 3Q25 signals further improvement ahead in 4Q, although the pace of recovery will depend on the speed of disinflation and the magnitude of upcoming rate cuts.

Fee income grew strongly by 67% YoY, remaining the primary driver of annual topline growth and reflecting the bank's continued focus on customer-driven, recurring revenue streams. Contributions from bancassurance and payment systems — up 77% and 76% YoY, respectively — helped to keep fee income robust, already exceeding the year-end guidance of 60%. Operating expenses increased moderately by 35% YoY and 7% QoQ, placing the bank in a favorable position versus its revised full-year guidance of 40%. In that vein, strong fee growth and prudent cost management lifted the opex coverage ratio (fee/opex) to 104%.

Net CoR slightly increased to 230 bps as stage 2+3 coverage rose to 34.3% owing to prudent risk management, while the consolidated NPL ratio remained broadly stable at 3.5% in 3Q25 versus 3.4% in 2Q25, in line with year-end guidance.

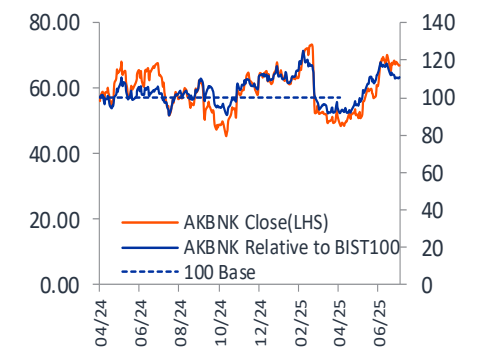
Guidance: Akbank's management maintained its full-year 2025 guidance in 3Q25, continuing to expect a swap-adjusted NIM in the 3.0–3.5% range, a full-year RoAE above 25%, and NPL ratio to realize around 3.5%.

Stock Data	TL
Price	67.15
Target Price*	96.00
Prev.TP	96.00
Mcap (mn)	349,180
Float Mcap (mn)	187,545
Avg.Daily Volume (3M, mn)	5437.6
No. of Shares Outstanding (mn)	5,200
Free Float (%)	54
Foreign Share (%)	52

Price Perf. (%)	1 Mn	Ytd	12 Mn
TL	8.3	5.9	6.2
US\$	6.3	-7.8	-13.6
Rel.to BIST-100	-2.9	-0.8	8.7

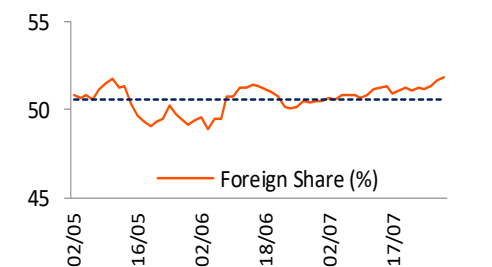
Multiples	2024	2025	2026
P/E	8.2	4.5	3.1
P/BV	1.5	1.1	0.8
EV/EBITDA	18.8	28.1	31.1

Price / Relative Price



52 Week Range (Close TL) 45.39 73.46

Foreign Share (%) Cur.(%) : 51.81



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Outlook & Expectations

We believe the bank remains structurally well positioned to benefit from higher NIMs going forward, which should gradually support a more sustainable improvement in RoAE starting from 2H25 and continuing throughout 2026. The higher exit NIM in 3Q25 points to a stronger margin performance in 4Q, while the Management expects a more predictable and steady enhancement in both NIM and RoAE during 2026 as monetary easing further transmits through the balance sheet.

The bottom line rose by 22% QoQ, beating our expectations and supported by improving NII and robust fee income generation, which continues to be the main driver of topline growth. Although structural fundamentals remain solid and margin recovery is underway, the relatively slow pace of improvement in NIM and RoAE so far may keep the 25% year-end RoAE guidance somewhat challenging to achieve, despite management reiterating confidence in its targets. Overall, we view the 3Q results rather positively given the strong QoQ earnings momentum, while maintaining a slightly cautious stance on near-term profitability metrics.

Akbank

Company Description

Akbank is a Turkey-based bank. The Bank's core business activities include retail banking, commercial banking, corporate banking, private banking, foreign exchange, money markets, securities transactions and international banking services.

Shareholder Structure (%)

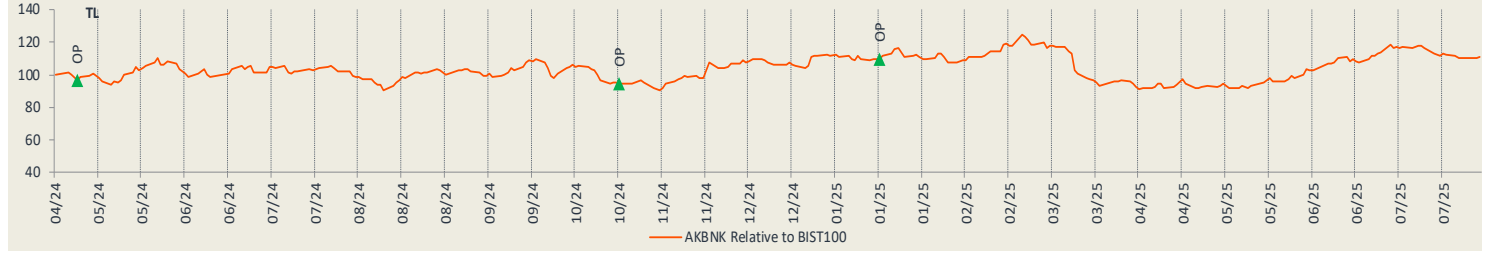
Diğer
Hacı Ömer Sabancı Holding

59.25
40.75

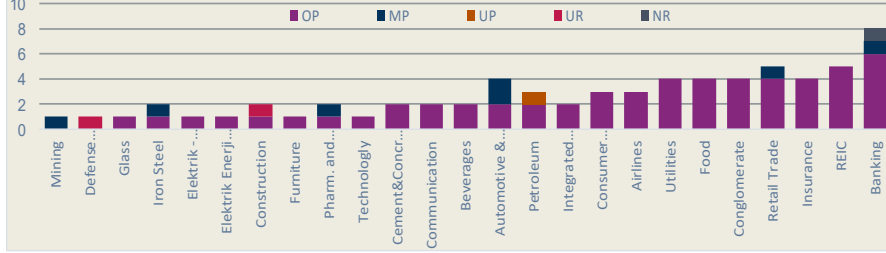
Akbank							
Income Statement (TL mn)	3Q24	4Q24	1Q25	2Q25	3Q25	QoQ	YoY
Net interest income	12,706	16,473	17,875	18,569	28,615	54%	125%
Net fees & commissions	18,662	20,642	22,666	25,802	33,433	30%	79%
Trading and investments	748	1,227	5,985	(2,272)	(8,239)	263%	n.m.
<i>Securities trading</i>	1,541	2,085	2,229	2,094	1,911	(9%)	24%
<i>Swap & derivatives</i>	(797)	(862)	3,752	(4,407)	(10,162)	131%	1,175%
<i>Dividend income</i>	5	3	3	42	12	(72%)	157%
Other income	3,461	1,275	2,686	1,352	1,216	(10%)	(65%)
Operating costs	(13,505)	(14,484)	(16,408)	(17,055)	(17,648)	n.m.	n.m.
Provision expenses	(6,850)	(8,390)	(9,622)	(8,618)	(13,036)	51%	90%
<i>Stage III</i>	(7,113)	(4,146)	(7,961)	(8,015)	(8,441)	5%	19%
<i>Stage I&II</i>	268	(3,819)	(1,661)	(602)	(4,595)	663%	n.m.
<i>Others</i>	(6)	(424)	0	0	0	n.m.	n.m.
<i>Free</i>	(0)	0	(20)	20	0	n.m.	n.m.
Income from eq. method app'd subs.	2,417	2,651	2,446	2,716	2,852	5%	18%
PBT	10,529	11,563	17,472	11,830	17,352	47%	65%
Tax	1,498	2,335	3,745	705	3,288	366%	119%
Net profit	9,031	9,227	13,727	11,125	14,064	26%	56%
Balance Sheet (TL mn)	3Q24	4Q24	1Q25	2Q25	3Q25	QoQ	YoY
Customer loans	1,204,108	1,286,771	1,352,894	1,446,276	1,614,304	12%	34%
Total assets	2,277,957	2,515,597	2,706,721	2,818,348	3,028,776	7%	33%
Customer deposits	1,504,757	1,562,097	1,673,573	1,803,889	1,926,816	7%	28%
Securities issued	63,338	95,215	91,181	131,798	166,449	26%	163%
Wholesale funding	330,311	469,387	530,606	455,186	476,631	5%	44%
Equity	230,945	240,348	242,926	258,901	277,363	7%	20%
Ratio Analysis	3Q24	4Q24	1Q25	2Q25	3Q25	QoQ	YoY
TL							
<i>Loans</i>	35.23%	35.88%	34.87%	35.68%	34.03%	(165bps)	(120bps)
<i>Deposits</i>	36.86%	36.79%	34.01%	37.44%	35.39%	(205bps)	(147bps)
<i>LtD spread</i>	-1.63%	-0.91%	0.86%	-1.76%	-1.36%	40bps	27bps
FX							
<i>Loans</i>	7.50%	7.76%	6.97%	7.09%	6.83%	(26bps)	(66bps)
<i>Deposits</i>	1.37%	1.46%	1.23%	1.11%	1.08%	(4bps)	(29bps)
<i>LtD spread</i>	6.13%	6.29%	5.75%	5.98%	5.76%	(22bps)	(37bps)
Specific CoR (stage III)	247 bps	133 bps	241 bps	229 bps	221 bps	(8bps)	(26bps)
Specific CoR (stage I&II)	(9 bps)	123 bps	50 bps	17 bps	120 bps	103bps	129bps
Total CoR (net of collections)	160 bps	221 bps	219 bps	207 bps	307 bps	100bps	148bps
RoAA	1.6%	1.5%	2.1%	1.6%	1.9%	31bps	30bps
RoAE	16.0%	15.7%	22.7%	17.7%	21.0%	325bps	500bps
Leverage	9.9 x	10.2 x	10.8 x	11.0 x	10.9 x	(1,065bps)	10,403bps

* adjusted for securities issued, subloans, LT FX borrowing and bank deposits

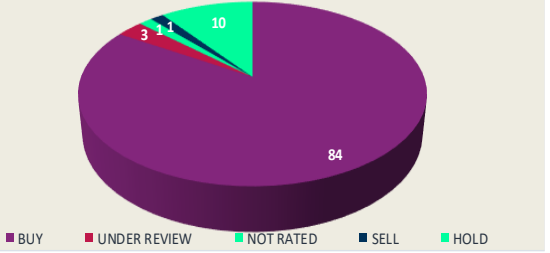
Relative to BIST 100 / Recommendations



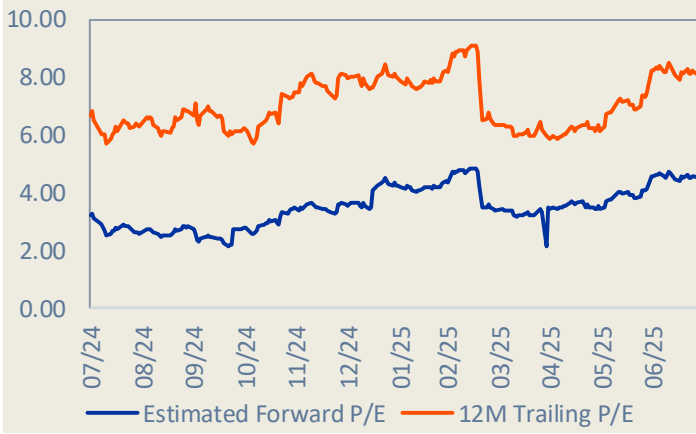
Number of Companies



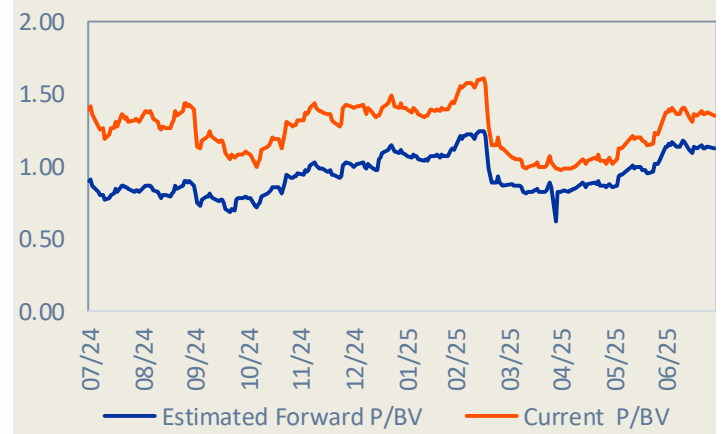
Rec. Breakdown for Coverage



Estimated Forward P/E & 12M Trailing P/E



Estimated Forward P/BV & Current P/BV



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