

30/07/2025

Spreads narrowed; fees supportive

Core revenues expand; fees keep growing

Akbank posted 2Q25 net income of TL11,125mn (-19% q/q, +2% y/y), in line with both market consensus (TL11,104mn) and our estimate (TL11,046mn). Core revenues expanded by 9% q/q on higher CPI-linker revenues and strong fee growth. Core spread, on the other hand, narrowed 1.4ppt q/q due mainly to high TL funding costs during the quarter. Indeed, TL spread retreated to a negative 1.1%, indicating a 2.6ppt q/q drop in 2Q. We expect spreads to recover in 3Q on the back of lower funding costs through CBRT's rate cuts. Fees remained strong manifested by 14% q/q and 61% y/y growth thanks to growing loans and payment system contribution. Swap costs rose to TL7.1bn in 2Q25 from TL5bn in 1Q. Reflecting this and narrowed spreads, swap-adjusted NIM contracted by 33bp q/q. Opex expanded by 5% q/q and 35% y/y driven by HR-related expenses. Net total CoR inched down slightly to 222bp this quarter from 234bp in 1Q on some new NPL inflows. NPL coverage rose 79bp q/q to 60%. NPL ratio remained almost flat q/q at 3.6% in 2Q. All in all, ROE dropped to 17.7% in 2Q from 22.7% in 1Q and 20% a year ago.

Akbank changed its 25E ROE guidance of >30% to >25% mainly on revised NIM guidance down to 3-3.5% from 5%. We expect 52% earnings growth for Akbank in 2025 after 36% contraction in 2024 with a 25E ROE of 24%.

Estimates unchanged; MP maintained

Akbank trades at 26E P/BV of 0.9x and 3.3x P/E, while 26E ROE stands at 31% on our estimates. We kept our TP unchanged, implying a limited 4% upside potential. We maintain our "Marketperform" recommendation for the stock.

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Current Rating			Marketperform
Expected Market Reaction		⬇️	Slightly Negative
Analyst Action		➡️	None
Price	TL67.15	Mcap (mnTL)	349,180
Target Price	TL70.05	Mcap (mn\$)	8,622
Upside	4%	Prev. Target Price	TL70.05
High /Low 30Day	72.2 / 56.3	Free Float	54%

BB 2025FY Consensus

Estimate Revisions	1W	4W	3M
EPS	0.0%	-2.4%	-12.7%
# of Buy/Hold/Sell	15/8/0	16/8/0	16/8/0
Rel Perf. XU030	1.1%	-2.2%	19.0%
ADV (USDmn)	121.6	153.9	146.7

OYAK vs BB consensus

(25E TLmn)	OYAK	Cons.	% Diff
NI	64,303	68,034	-5%

Multiples & Ratios

(OYAK Est)	2024	2025E	2026E
P/E	8.24x	5.43x	3.33x
P/B	1.45x	1.19x	0.91x
RoE	18.8%	24.1%	31.0%
(TLmn)	2024	2025E	2026E
Net income	42,366	64,303	104,995
Equity	240,348	293,501	384,857

Income Statement

TLm	2Q24	1Q25	2Q25	q/q (%)	y/y (%)
I. Net Interest Income	17,136	17,875	18,569	3.9	8.4
II. Net Fee Income	16,001	22,666	25,802	13.8	61.3
III. Net Trading Gain/Loss	-3,017	5,981	-2,314	n.a.	n.a.
IV. Other Income	2,255	2,686	1,352	(49.7)	(40.1)
V. OPEX	19,017	24,543	25,739	4.9	35.3
VI. Pre-provisioning Income	13,358	24,665	17,670	(28.4)	32.3
VII. Provisions	3,970	9,642	8,598	(10.8)	116.6
VIII. Income from Participations	2,451	2,449	2,758	12.6	12.5
IX. Pre-Tax Income	11,840	17,472	11,830	(32.3)	(0.1)
X. Net Profit	10,924	13,727	11,125	(19.0)	1.8

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Rating Methodology

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