

Akbank

1Q26 Earnings review

Cost and Margin Dynamics Remain a Headwind

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Akbank has reported TRY 19.179 billion in net income in its 1Q26 standalone financial results (QoQ: +4.6%, YoY: +40%). The reported figure was broadly in line with our estimate of TRY 19.095 billion and the market consensus.

The bank's growth in net interest income and the strong increase in trading income supported profitability, while higher operating expenses and the contraction in fee and commission income were the main factors weighing on performance.

Net interest income increased by 12% QoQ, while swap costs rose by 17% over the same period. Accordingly, swap-adjusted net interest income grew by 9.4% QoQ to TRY 24.7 billion. Swap-adjusted NIM improved by 10 bps to 3.23% in the quarter; however, the 10% decline in CPI-linked securities income and higher swap costs limited the improvement in margins.

Net fee and commission income, despite its strong underlying trend, declined by 7.2% QoQ to TRY 30.158 billion, while increasing by 33% YoY. The Bank's operating expenses increased by 19.4% QoQ to TRY 34.5 billion, mainly driven by seasonally higher personnel costs in the first quarter. As a result, the fee-to-cost ratio declined to 87.3% from 112%.

Asset quality remained broadly stable, with the NPL ratio increasing by a limited 14 bps to 3.8%, while expected credit loss provisions increased by 19% QoQ to TRY 9.5 billion. Accordingly, the net cost of risk (including FX impact) was in at 207bps.

Other income was supported by a strong increase in trading income (more than doubling) to TRY 10.967 billion, which more than offset a modest decline in equity-accounted income.

Akbank has maintained its FY26 guidance. As previously communicated, the bank expects 30% TRY loan growth, 10% FX loan growth, a 4% swap-adjusted NIM, 30% growth in fee and commission income, and 30% growth in operating expenses.

We maintain a "Neutral" view on the 1Q26 results, which were broadly in line with expectations. We keep our target price unchanged at TRY 108.10, implying 42% upside from current levels, and reiterate our "OUTPERFORM" recommendation. We model 75.5% earnings growth for 2026. The stock is trading at 3.9x 2026E P/E and 1.03x P/B, with an average ROE of around 30%.

Rating	Outperform
Target price (TRY)	108,10
Upside	42%
Previous rating	Outperform
Previous target price (TRY)	108.10

	TRY	US\$
Close	75,95	1,69
BIST 100	14.329	319
US\$/TRY (CBT Bid Rate):	44,94	
52 Week High:	90,60	2,09
52 Week Low:	46,39	1,21
Bloomberg Ticker:	AKBNK.TI	

Number of Shares (Mn): 5.200

	(TRY Mn)	(US\$ Mn)
Current Mcap:	394.940	8.788
Free Float Mcap:	205.369	4.570
Avg. Daily Volume:	7.346	175

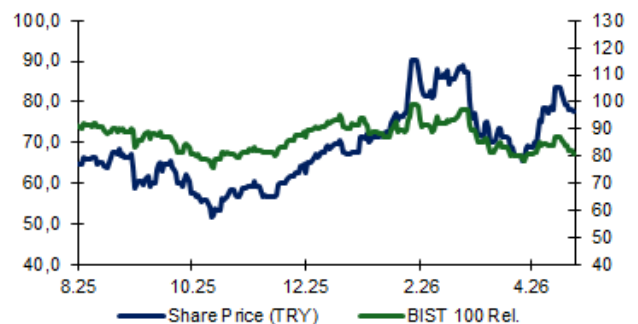
Expectations (TRY mn)	Actual	Seker	Diff.	Cons.	Diff.
Net income	19.179	19.095	0,4%	19.003	0,9%

1Q26	4Q25	1Q26	QoQ	1Q25	YoY
Net income (TRY mn)	18.331	19.179	5%	13.727	40%

Forecasts (TRY mn)	2023A	2024A	2025A	2026E	2027E
Net income	66.479	42.366	57.247	100.449	161.032
BV	211.195	240.348	310.158	383.868	519.788

Valuation	2023A	2024A	2025A	2026E	2027E
P/E (x)	2,9	8,0	6,9	3,9	2,5
P/BV (x)	0,90	1,40	1,27	1,03	0,76
ROAA	2,9%	2,0%	2,0%	2,6%	3,2%
ROAE	36,7%	19,0%	21,5%	30,0%	36,5%

Returns (%)	1 M	3M	6M	12M	YtD
TRY Return:	13,5	-7,6	33,9	58,8	12,3
US\$ Return:	11,9	-11,0	24,7	35,1	7,1
BIST 100 Relative:	0,6	-13,6	1,6	3,1	-11,7



Akbank's swap-adjusted net interest income increased by 91.6% YoY, while fee and commission income grew by 33%. Operating expenses rose by 40.8% over the same period. As a result, net income increased by 39.7% YoY, while ROE and ROA remained broadly stable QoQ at 25% and 2.3%, respectively.

On the asset quality side, the NPL ratio increased by 14 bps to 3.8%, while the share of Stage 2 loans rose from 8.0% to 8.4%. On the capital side, the CAR declined from 20.0% to 17.1%, while the CET1 ratio decreased from 15.0% to 11.7%.

Figure 1: Summary balance sheet

(Bank-only, TRYmn)	3M25	12M25	3M26	QoQ	YoY	YtD
Security portfolio	620.379	734.774	719.637	-2,1%	16,0%	16,0%
Loans	1.305.602	1.716.788	1.812.986	5,6%	38,9%	38,9%
Total assets	2.706.721	3.336.007	3.419.803	2,5%	26,3%	26,3%
Deposits	1.673.573	2.071.580	2.216.603	7,0%	32,4%	82,0%
TRY deposits	1.117.778	1.355.137	1.424.784	5,1%	27,5%	85,4%
FC deposits	555.795	716.443	791.818	10,5%	42,5%	76,1%
FC deposits (in \$)	14.717	16.715	17.840	6,7%	21,2%	16,6%
Shareholder's equity	242.926	310.158	302.598	-2,4%	24,6%	43,3%
Total liabilities	2.706.721	3.336.007	3.419.803	2,5%	26,3%	91,1%

Source: Bank financials, Seker Invest Research

Figure 2: Summary income statement

(Bank-only, TRYmn)	1Q25	4Q25	1Q26	QoQ	YoY	Mar.25	Mar.26	YoY
Net interest income (Swap adj)	12.877	22.548	24.673	9,4%	91,6%	12.877	24.673	91,6%
Net fee and commission income	22.666	32.502	30.158	-7,2%	33,1%	22.666	30.158	33,1%
Dividends	2.449	3.419	3.384	-1,0%	38,2%	2.449	3.384	38,2%
Net trading gain/loss	10.979	5.216	10.967	110,3%	-0,1%	10.979	10.967	-0,1%
Other operating income	801	676	964	42,6%	20,4%	801	964	n.m.
Provisions (net)	7.757	7.965	9.483	19,1%	22,2%	7.757	9.483	22,2%
OPEX	24.543	28.928	34.548	19,4%	40,8%	24.543	34.548	40,8%
Net operating profit before taxes	17.472	27.467	26.115	-4,9%	49,5%	17.472	26.115	49,5%
Tax provision	3.745	9.136	6.937	-24,1%	85,2%	3.745	6.937	85,2%
Net profit	13.727	18.331	19.179	4,6%	39,7%	13.727	19.179	39,7%

Source: Bank financials, Seker Invest Research

Figure 3: Balance sheet ratios

	1Q25	4Q25	1Q26	QoQ	YoY	YTD
Funding structure						
LDR	78%	83%	82%	-1,1%	3,8%	-1,1%
TRY LDR	82%	91%	92%	0,5%	9,9%	0,5%
FX LDR	69%	67%	64%	-3,2%	-5,2%	-3,2%
Demand deposits/Deposits	31%	34%	34%	0,0%	2,6%	0,0%
Time deposits/Deposits	69%	66%	66%	0,0%	-2,6%	0,0%
Asset quality						
NPL Ratio	3,5%	3,7%	3,8%	0,1%	0,3%	0,1%
Total CoR (Quarterly)	2,35%	1,87%	2,07%	0,2%	-0,3%	0,2%
Total CoR (Cumulative)	0,60%	2,32%	0,53%	-1,8%	-0,1%	-1,8%
Stage 1 loans/Total loans	89,5%	88,3%	87,8%	-0,5%	-1,7%	-0,5%
Stage 2 loans/Total loans	7,0%	8,0%	8,4%	0,4%	1,4%	0,4%
Total provisions/NPL	113,5%	108,1%	105,6%	-2,6%	-7,9%	-2,6%
Capital adequacy and leverage						
CET1	14,6%	15,0%	11,7%	-3,3%	-2,9%	-3,3%
Tier I	16,0%	16,2%	13,9%	-2,4%	-2,1%	-2,4%
CAR	20,0%	20,0%	17,1%	-2,9%	-2,9%	-2,9%
Leverage	11,1	10,8	11,3	0,55	0,16	0,55
Currency breakdown						
TRY Loans/Loans	70,0%	72,0%	72,1%	0,1%	2,0%	0,1%
FX Loans/Loans	30,0%	28,0%	27,9%	-0,1%	-2,0%	-0,1%
TRY Deposits/Deposits	66,8%	65,4%	64,3%	-1,1%	-2,5%	-1,1%
FX Deposits/Deposits	33,2%	34,6%	35,7%	1,1%	2,5%	1,1%

Source: Bank financials, Seker Invest Research

Figure 4: Profitability ratios (Quarterly)

	1Q25	4Q25	1Q26	QoQ	YoY	YTD
ROAA	2,1%	2,3%	2,3%	-0,03%	0,17%	-0,03%
ROAE	22,7%	25,0%	25,0%	0,08%	2,32%	0,08%
NIM (Swap adj.)	2,17%	3,13%	3,23%	0,10%	1,07%	0,10%

Figure 4: Profitability ratios (Cumulative)

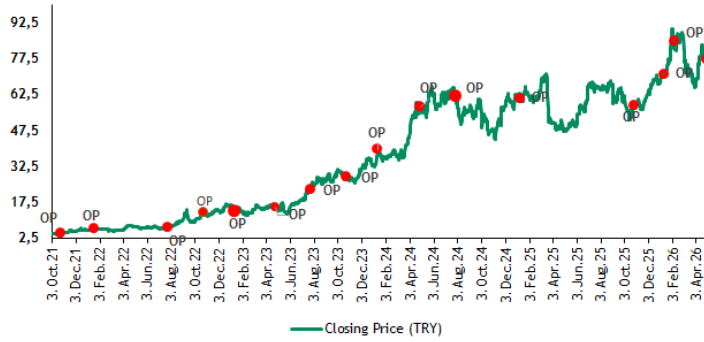
	1Q25	4Q25	1Q26	QoQ	YoY	YTD
ROAA	2,1%	2,0%	2,3%	0,28%	0,17%	0,28%
ROAE	22,7%	21,5%	25,0%	3,51%	2,32%	3,51%
NIM (Swap adj.)	2,2%	2,5%	3,2%	0,77%	1,07%	0,77%

Efficiency ratios

	1Q25	4Q25	1Q26	QoQ	YoY	YTD
Cost/Assets	3,8%	3,6%	4,1%	0,46%	0,33%	0,46%
Fees (net)/Loans	1,7%	1,9%	1,7%	-0,23%	-0,07%	-0,23%
Fees (net)/Assets	3,47%	4,09%	3,57%	-0,51%	0,10%	-0,51%
Fees (net)/OPEX	92,4%	112,4%	87,3%	-25,06%	-5,06%	-25,06%

Source: Bank financials, Seker Invest Research

Historical Recommendation and Target Prices (TRY)



Source: Seker Invest Research

Date	Recommendation	Target Price (TRY)
27. Apr.15	Outperform (OP)	9,65
03. Aug.15	Outperform (OP)	9,34
27. Oct.15	Outperform (OP)	8,60
03. Feb.16	Outperform (OP)	8,34
25. Apr.16	Outperform (OP)	9,53
28. Jul.16	Market Perform (MP)	9,60
24. Oct.16	Market Perform (MP)	8,18
01. Feb.17	Market Perform (MP)	8,58
26. Apr.17	Market Perform (MP)	9,33
27. Jul.17	Market Perform (MP)	10,24
22. Jan.18	Outperform (OP)	9,68
15. May.18	Outperform (OP)	9,01
09. Jul.18	Outperform (OP)	7,59
26. Jul.18	Outperform (OP)	8,85
09. Oct.18	Outperform (OP)	6,25
25. Oct.18	Outperform (OP)	7,28
17. Jan.19	Outperform (OP)	6,93
01. Feb.19	Outperform (OP)	7,81
07. Jun.19	Outperform (OP)	6,92
25. Jul.19	Outperform (OP)	8,55
09. Oct.19	Outperform (OP)	9,44
14. Jan.20	Outperform (OP)	10,39
13. Apr.20	Outperform (OP)	6,90
29. Apr.20	Market Perform (MP)	6,45
13. Jul.20	Market Perform (MP)	7,01
29. Jul.20	Outperform (OP)	7,20
28. Oct.20	Outperform (OP)	7,00
18. Jan.21	Outperform (OP)	9,20
29. Apr.21	Outperform (OP)	8,05
26. Oct.21	Outperform (OP)	9,10
20. Jan.22	Outperform (OP)	11,70
28. Jul.22	Outperform (OP)	14,95
26. Oct.22	Outperform (OP)	23,75
12. Jan.23	Outperform (OP)	27,02
26. Apr.23	Outperform (OP)	26,16
26. Jul.23	Outperform (OP)	33,85
26. Oct.23	Outperform (OP)	48,50
12. Jan.24	Outperform (OP)	65,03
30. Apr.24	Outperform (OP)	74,85
30. Jul.24	Outperform (OP)	74,85
24. Oct.24	Outperform (OP)	70,14
07. Jan.25	Outperform (OP)	96,62
24. Oct.25	Outperform (OP)	82,47
09. Jan.26	Outperform (OP)	108,1
03. Feb.26	Outperform (OP)	108,1
29. Apr.26	Outperform (OP)	108,1

Basis for 12M Recommendations

- Outperform:** The total return is expected to exceed the return of the BIST-100 by more than 10%.
- Underperform:** The total return is expected to fall below the return of the BIST-100 by more than 10%.
- Market Perform:** The total return is expected to be in line with the return of the BIST-100.

Source: Seker Invest Research

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