



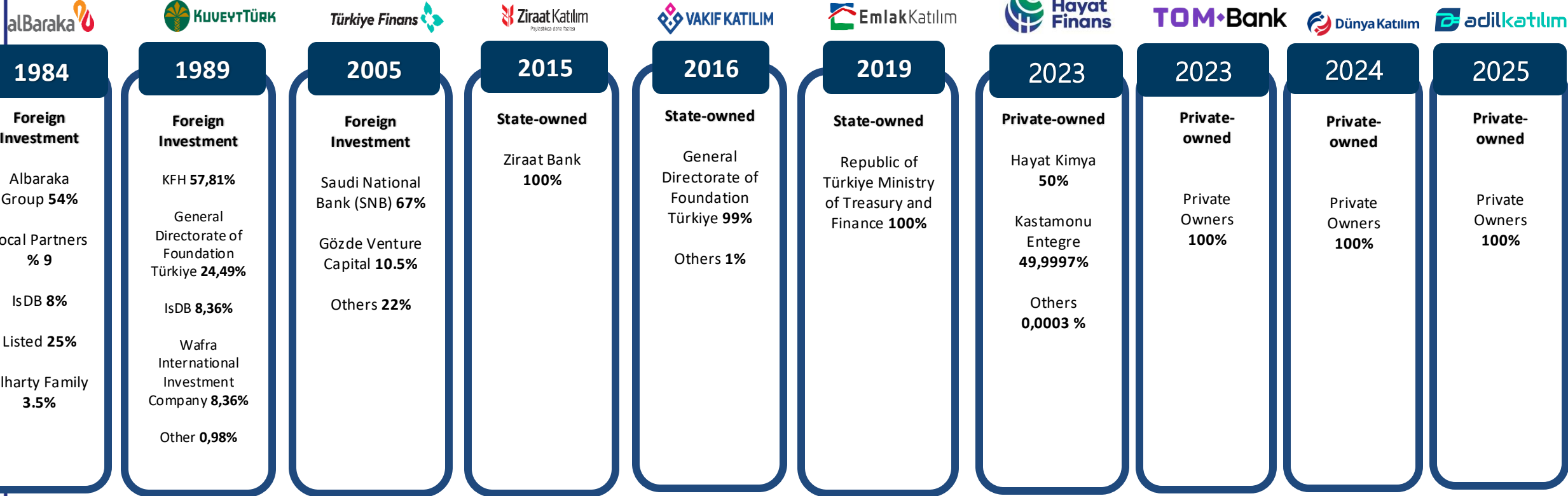
# IFN DIALOGUES TÜRKİYE 2025

Key Recent Developments in Participation Financial  
Services in Türkiye

Fatma Çınar  
Deputy Secretary General, TKBB

*17 November 2025*

## PARTICIPATION BANKS IN TÜRKİYE



## PARTICIPATION BANKING PRODUCTS & SERVICES



### Fund Collection Products

- Current Accounts
- Participation (Profit-Loss Sharing) Accounts
- Precious Metal Accounts
- Special Fund Pool



### Fund Allocation Products

- Housing Finance
- Vehicle Financing
- Retail Finance
- Trade Finance
- Commercial and SME Financing
- Gold Based Financing
- Project Finance
- Tawarruq



### Investment Products

- Sukuk (Lease Certificates)
- Murabaha
- Participation Index
- Investment Funds



### Treasury Products

- Sale with Repurchase Agreement
- Forward
- Forex
- Swap



### Trade Related Products

- Import
- Export
- Non-Cash Financing
- Letter of Guarantee
- Eximbank Credits
- Foreign Currency Cheques



### Payment System Products

- Internet and Mobile Banking
- Bank and Credit Cards
- POS Services
- ATM Cash Advance Services

## BANKING SERVICES & PRODUCTS FOR SMEs

SME financing sector marketshare is **12%**.

While **41%** of the total funds extended by **participation banks** are extended to SMEs, this ratio is **26% in the overall banking sector**.

As of August 2025, the total amount of SME financing extended reached **662 billion Turkish lira**, while the number of SME financing customers was recorded as **194,447**.

### 1.Financing Methods

- Installment Commercial Financing,
- Supplier Finance,
- Business Finance,
- Supply Chain Financing

### 2.Non-cash Financing Methods

- Letters of Guarantee,
- Letters of Credit,
- Acceptance-Avalized Credits,
- Reference Letters,

### 3.Financial Leasing

### 4.DFI Guaranteed Loans

### 5.Card and POS Services

### 6.Foreign Trade Finance

- Import Financing
- Export Finance
- External Guarantees

### 7.Cash Management Services

- Collection Systems
- Check and Draft Services
- Direct Debit System
- Merchant Services
- E-Services
- Other Banking Services

### 8.Incentivized Transactions

### 9.Investment Services

### 10.Payment Services

- Tax/Social Security Institution/MTV and Land Registry Fee Payments
- Institution Payments - Invoice Collections
- Bulk Remittance/PDS System
- Foreign Exchange Transfer (SWIFT)
- Continuous Form Check
- QR Code Check
- Rent and Regular Payment Orders
- Fuel Payment System

## TURK EXIMBANK’S PARTICIPATION FINANCE PRODUCTS



**Türk Eximbank** continuously expands its range of products and services in line with participation finance principles to facilitate exporters’ access to financing and support sustainable growth



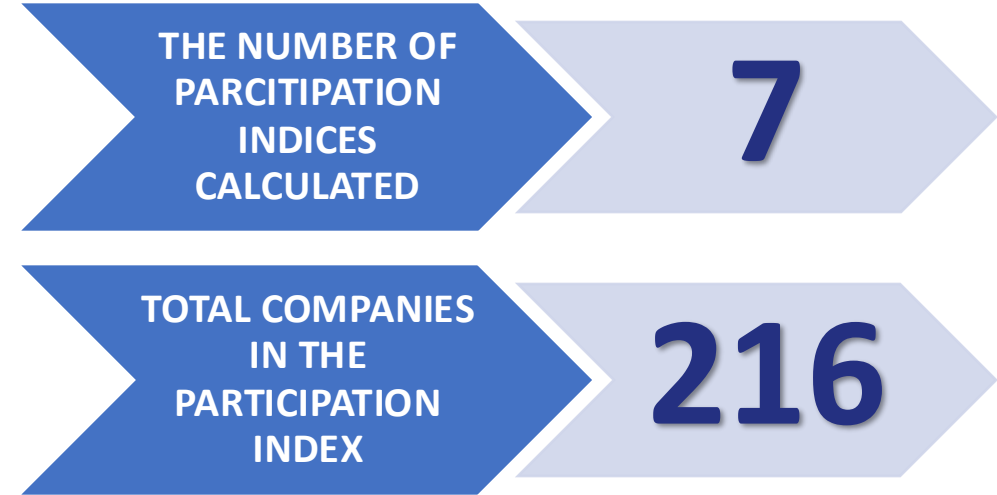
## PARTICIPATION INDEX



The **Participation Index**, carried out in cooperation between Borsa İstanbul and TKBB, is prepared based on **Standards and Guidelines** in order to evaluate whether companies comply with participation finance principles and standards. **It offers investors** alternative investment instruments such as stocks and investment funds that are compatible with participation finance principles and standards.



The fiqh principles for determining the companies to be included in the indices are established based on the **"Share Issuance and Trading Standard"** (the **Standard**) and the related Guideline prepared by the Advisory Board. The evaluation process is carried out by the **Participation Finance Principles Information Form (KAFİF) Committee**, which consists of representatives from the Association and Borsa İstanbul.

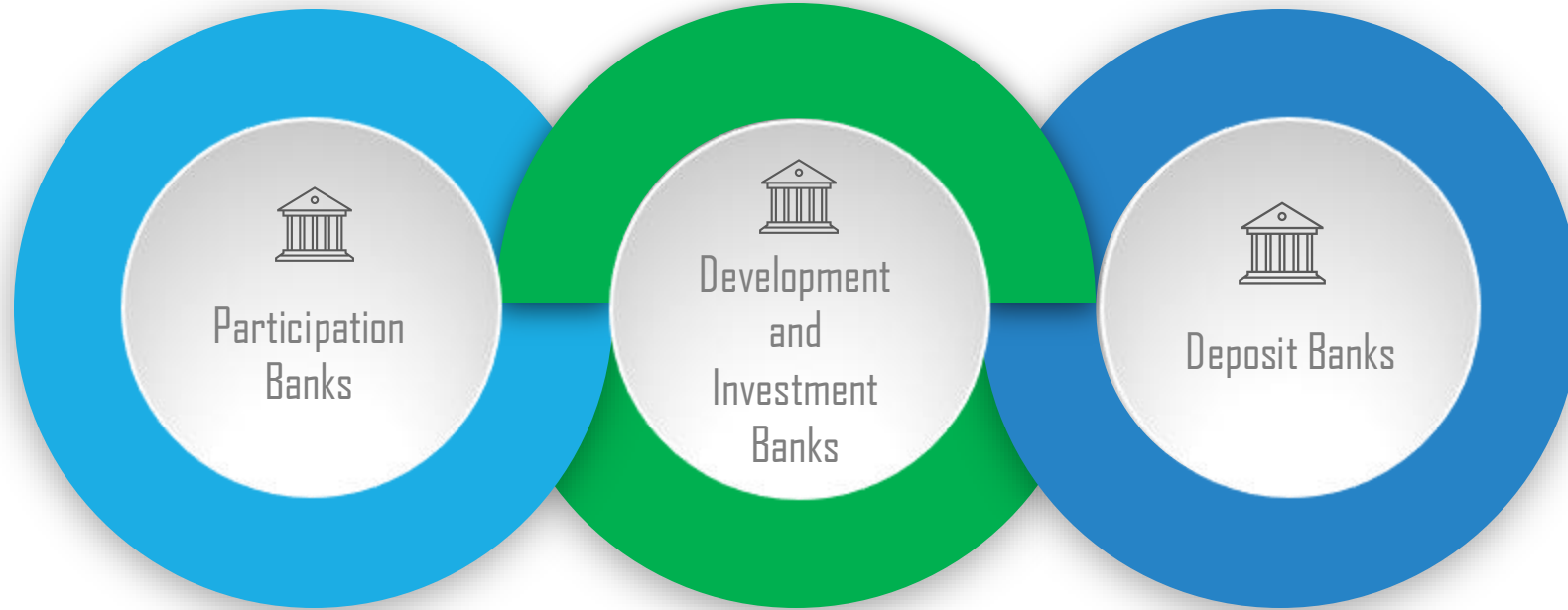


An aerial photograph of the Golden Gate Bridge in San Francisco, California. The bridge's two massive towers and suspension cables are prominent, spanning across the water. In the background, the dense urban landscape of San Francisco is visible, with numerous skyscrapers and buildings. The sky is clear and blue. A semi-transparent dark grey rectangular box is overlaid in the center of the image, containing the title text in white.

# **MARKET OUTLOOK & FINANCIAL INDICATORS**

**TURKISH BANKING SECTOR**

***Banking Sector***



## TURKISH BANKING SECTOR

September 2025

	Participation Banks	Deposit Banks	Development and Investment Banks	Banking Sector
Banks	9	37	20	66
Branches	1.519	9.185	77	10.781
Personnel	22.516	180.992	6.594	210.102

## BANKING SECTOR FINANCIALS

September 2025

### ASSETS



**43.579** Billion ₺  
(1.052 Billion \$)

### ALLOCATED FUNDS



**22.396** Billion ₺  
(540 Billion \$)

### COLLECTED FUNDS

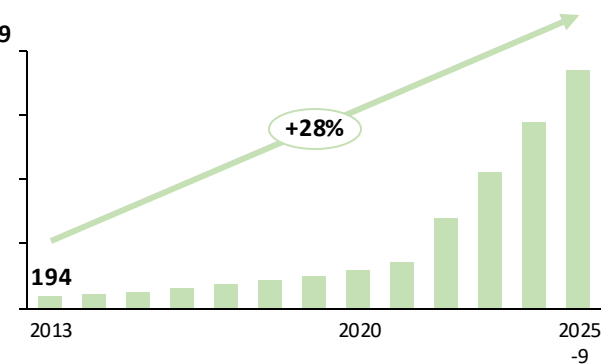
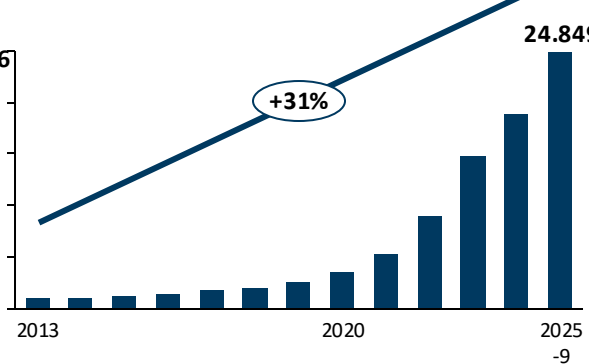
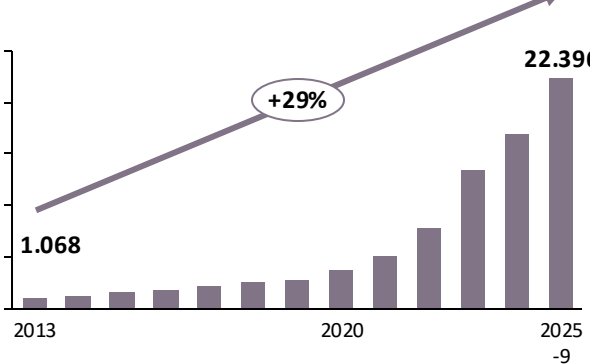
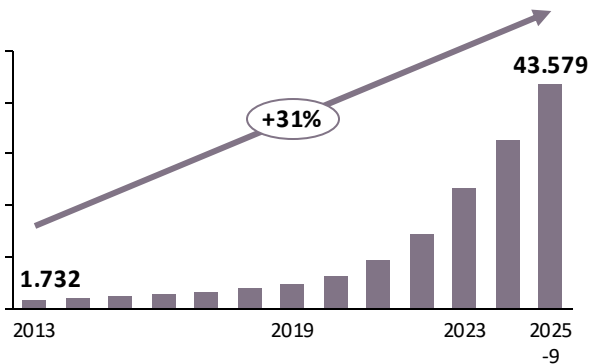


**24.849** Billion ₺  
(600 Billion \$)

### EQUITY



**3.707** Billion ₺  
(89 Billion \$)



## PARTICIPATION BANKING SECTOR FINANCIALS

September 2025

### ASSETS



**3.864** Billion ₺  
(93 Billion \$)

### ALLOCATED FUNDS



**1.988** Billion ₺  
(48 Billion \$)

### COLLECTED FUNDS



**2.515** Billion ₺  
(60 Billion \$)

### EQUITY



**270** Billion ₺  
(6.5 Billion \$)

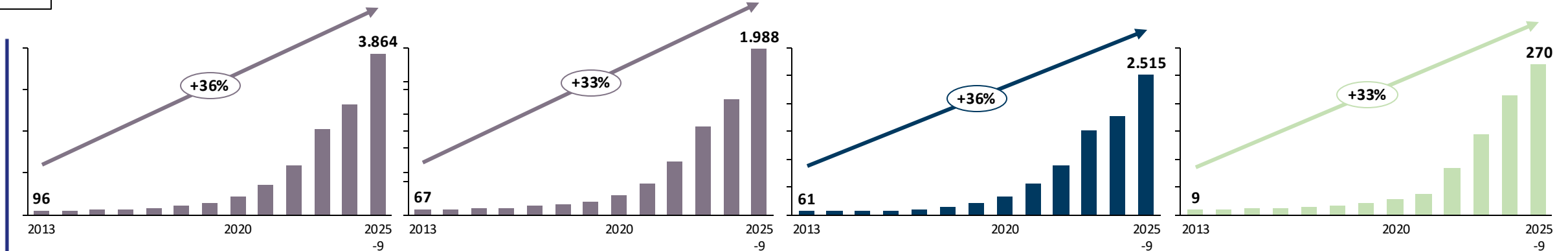
Market  
Share

8,9%

8,9%

10,1%

7,3%

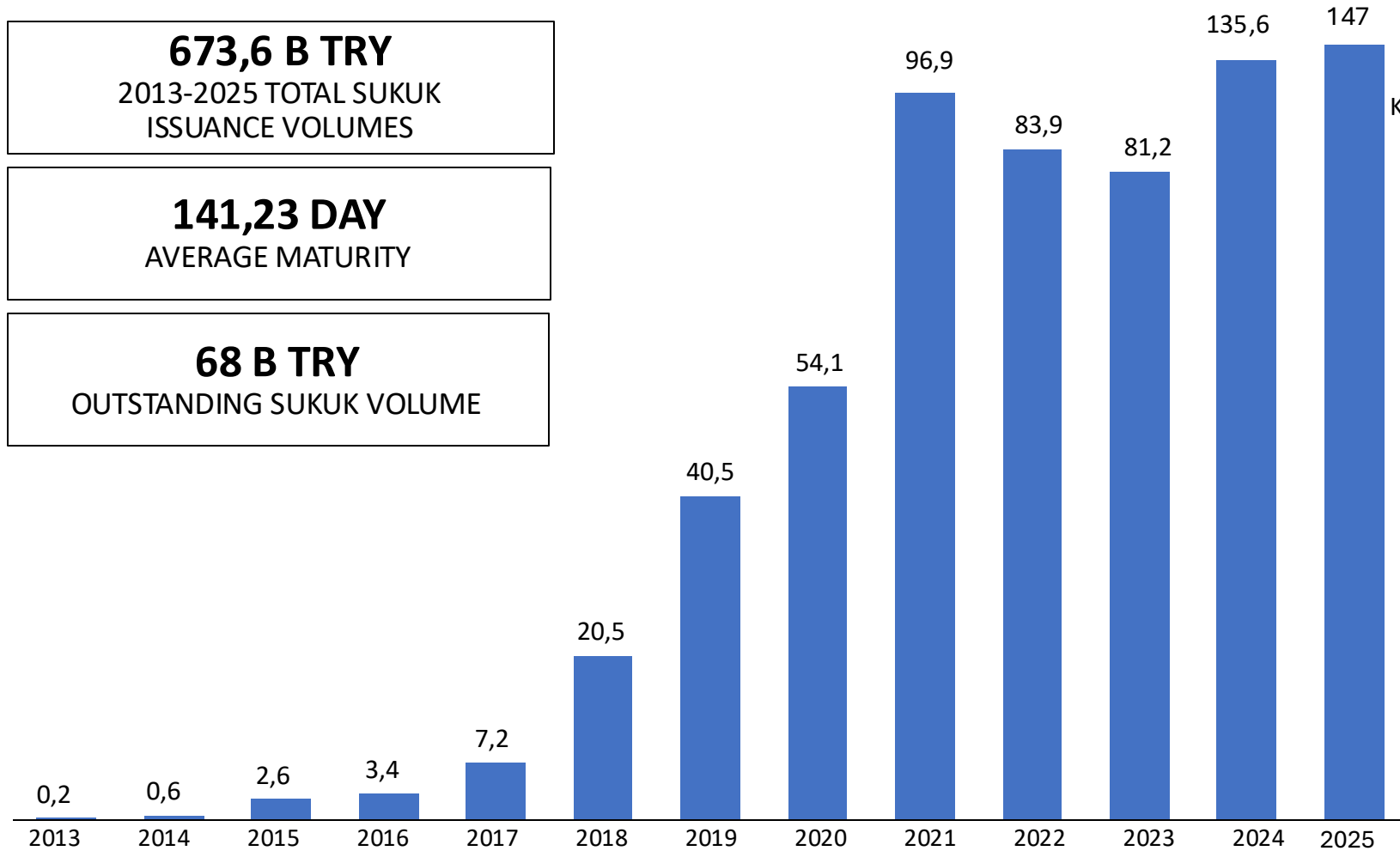


**PARTICIPATION BANKS SUKUK ISSUANCE FIGURES** (September,2025)

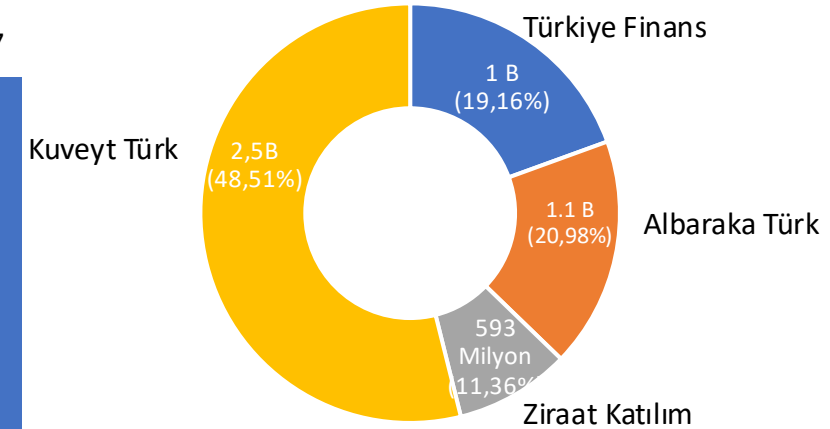
**673,6 B TRY**  
2013-2025 TOTAL SUKUK  
ISSUANCE VOLUMES

**141,23 DAY**  
AVERAGE MATURITY

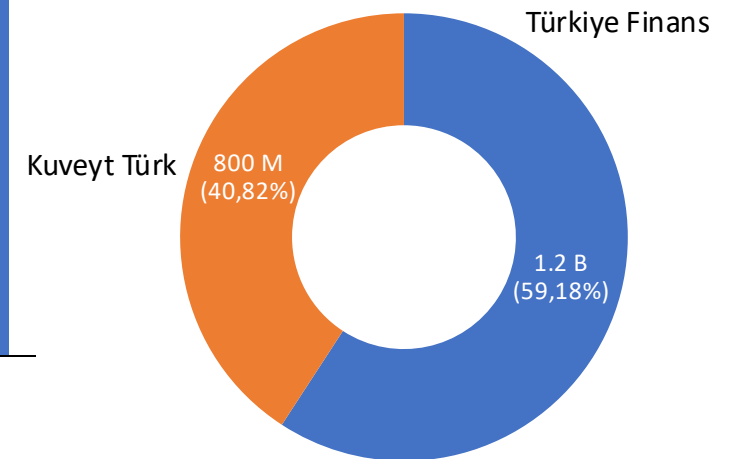
**68 B TRY**  
OUTSTANDING SUKUK VOLUME



Total Sukuk Issuance  
Volumes Denominate in USD



Total Sukuk Issuance  
Volumes Denominate in MYR



## TÜRKİYE’S ROLE IN THE GLOBAL SUKUK MARKET



Türkiye has become an important contributor to the global **Sukuk (Islamic bond)** market through **large issuance volumes, product innovation, and international engagement.**



Türkiye ranks among the **top five countries globally** in terms of Sukuk issuance alongside leading issuers such as **Saudi Arabia, Malaysia, Indonesia, and the UAE**



Türkiye accounted for **12.03 % of total global short-term Sukuk issuance in 2023, equaling USD 8.75 billion**—placing it within the upper tier of active jurisdictions.



Participation banks play a leading role, offering diverse Sukuk products tailored to different **investor risk profiles and investment preferences.**



Turkish Sukuk are attractive to both **Islamic and conventional investors** due to their competitive return profiles.

## TÜRKİYE’S ROLE IN THE GLOBAL SUKUK MARKET

### Green and Sustainable Sukuk



Türkiye integrates **sustainable finance** into its Sukuk market, emphasizing **environmentally friendly projects** and the **green transition**.



**Green Sukuk** fund projects in **renewable energy**, **energy-efficient infrastructure**, **waste management**, and **sustainable agriculture**.



The total **value of green Sukuk** issued in Türkiye is projected to reach **USD 1.426 billion by 2024**

### Banking and Investment Practices



Turkish participation banks maintain **balanced Sukuk portfolios** across sectors such as **infrastructure, energy, and real estate** to mitigate risks and support sustainability goals.



Collaboration with **international financial institutions** has boosted **cross-border Sukuk visibility** and **foreign investor participation**

## DIGITAL FINANCE ACTIVITIES OF PARTICIPATION BANKS (2nd quarter 2025)

6,9 Million



**DIGITAL  
CUSTOMER**

2.5 Million



**REMOTE CUSTOMER  
ACQUISITION\***

7,9 Trillion TRY



**TOTAL TRANSACTIONS  
VOLUME**

190,2 Million



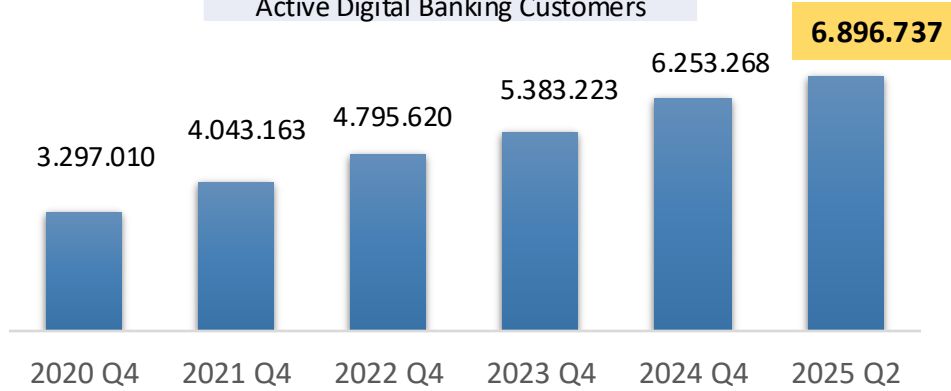
**TOTAL NUMBER OF  
TRANSACTIONS**

\*Remote Customer Acquisition (September, 2025)

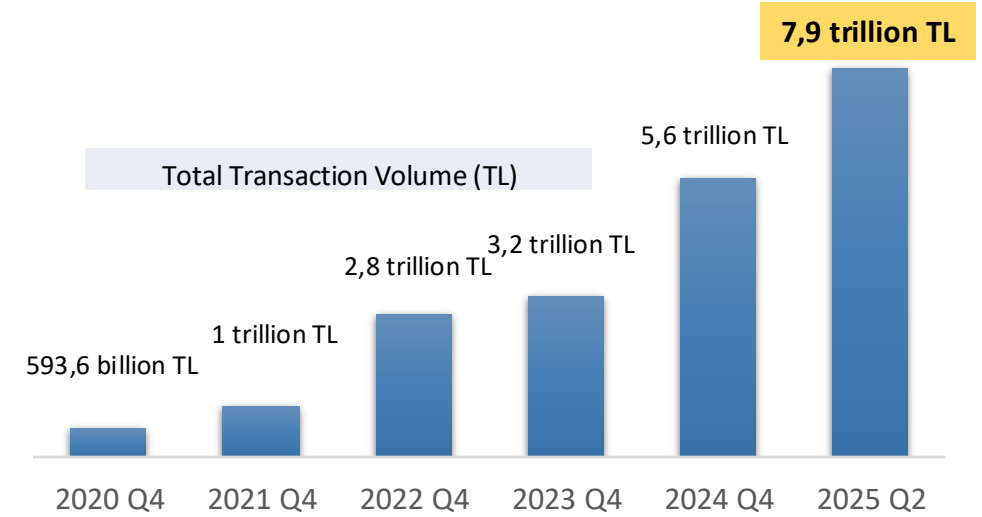
[www.tkbb.org.tr](http://www.tkbb.org.tr)

## DIGITAL BANKING STATISTICS

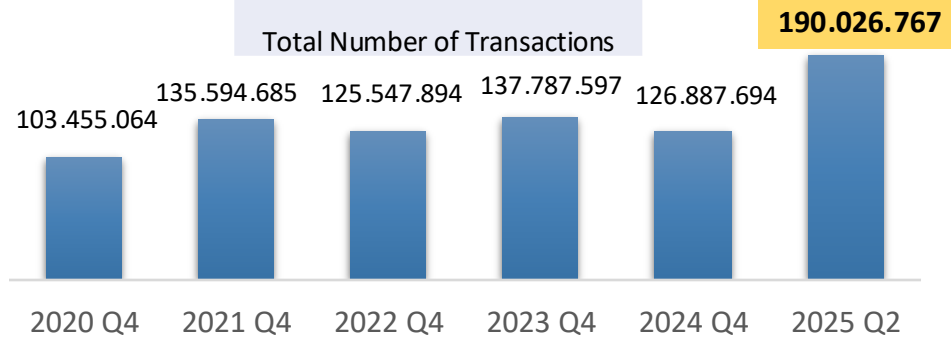
Active Digital Banking Customers



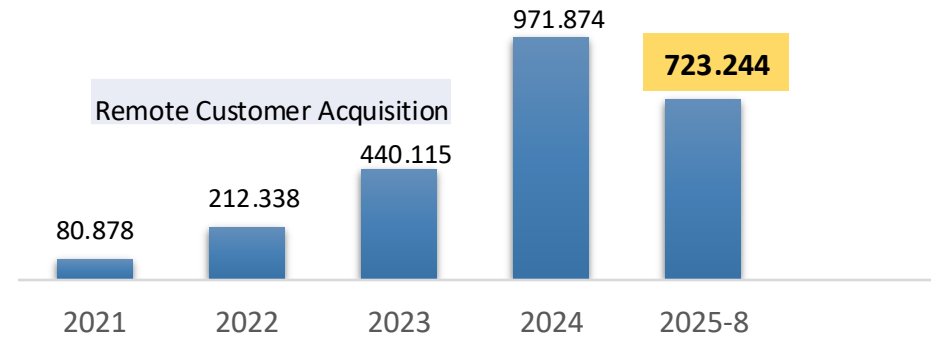
Total Transaction Volume (TL)



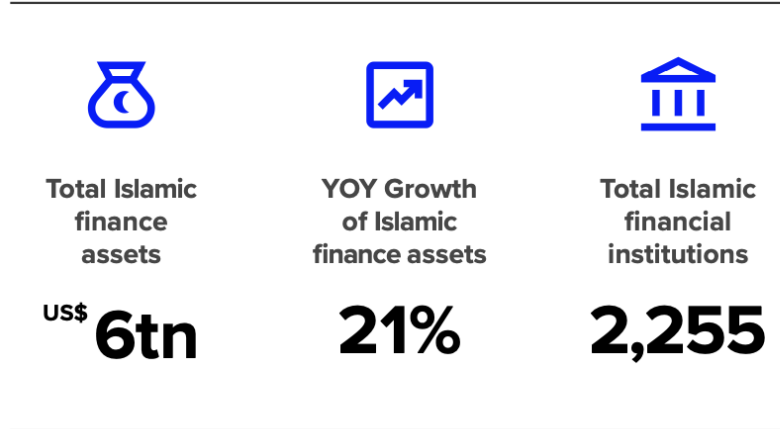
Total Number of Transactions



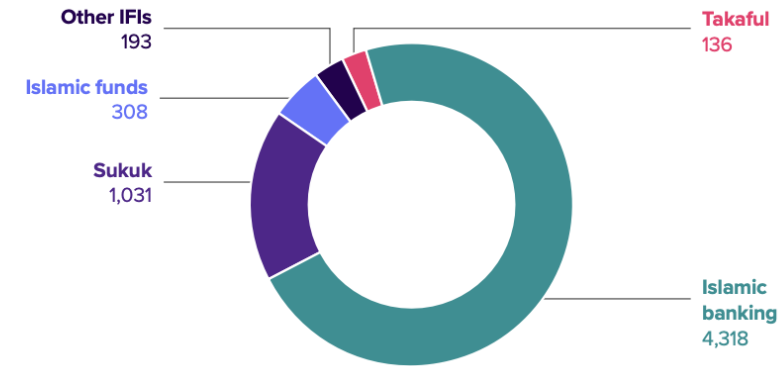
Remote Customer Acquisition



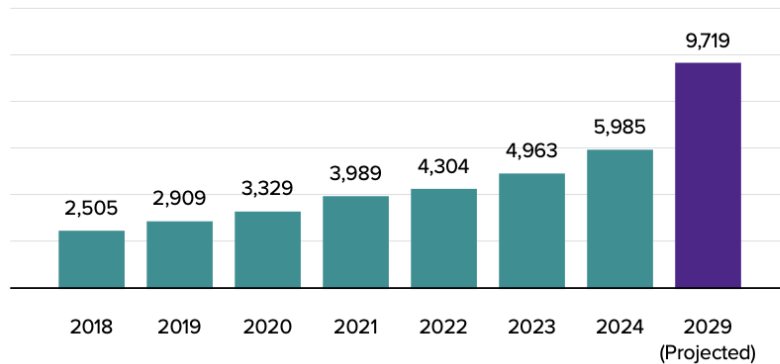
## THE GLOBAL ISLAMIC FINANCE INDUSTRY AT A GLANCE IN 2024



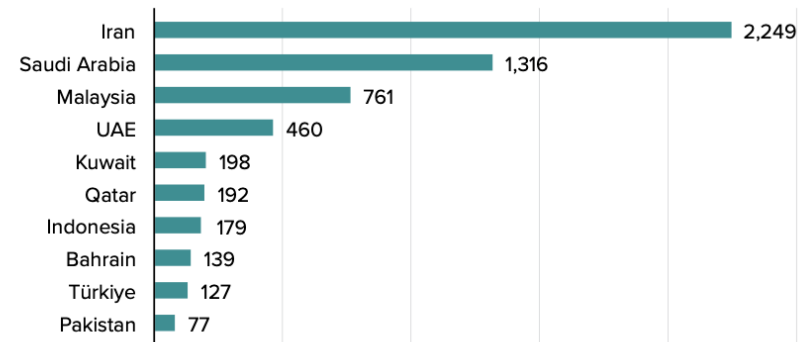
**Islamic finance assets by sector and asset class**  
(US\$ billion, 2024)



**Islamic finance assets growth**  
(US\$ billion, 2018 - 2024)

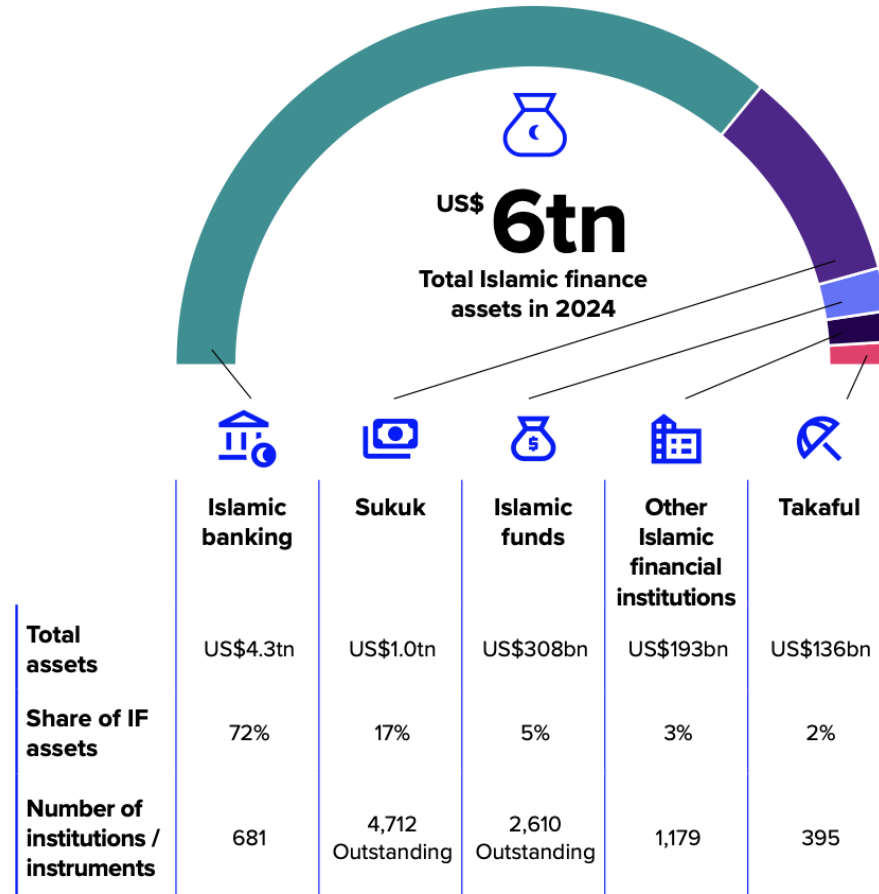


**Top countries by Islamic finance assets**  
(US\$ billion, 2024)

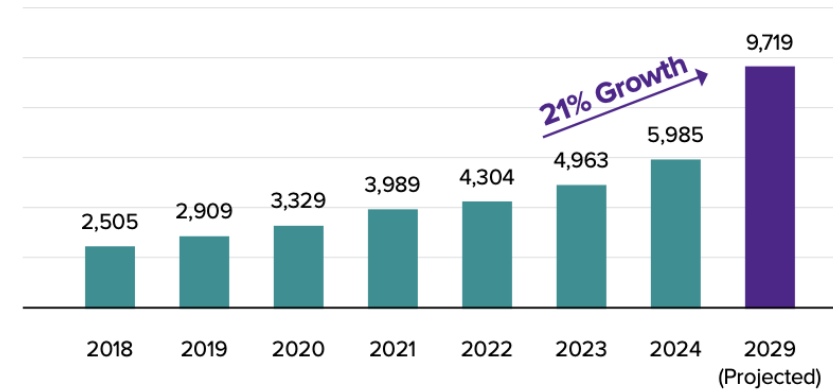


## GLOBAL OVERVIEW OF THE ISLAMIC FINANCE INDUSTRY IN 2024

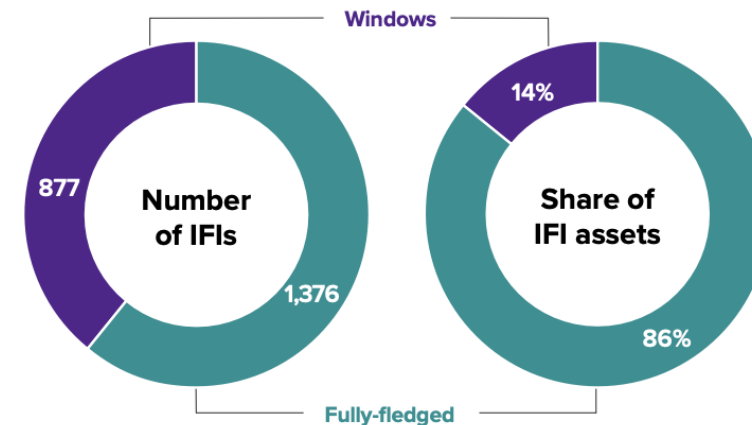
Islamic finance industry breakdown by sector and asset class  
(2024)



Islamic finance assets growth  
(US\$ billion, 2018 - 2024)



Islamic financial institutions breakdown  
(2024)



## ISLAMIC FINANCE INDUSTRY’S SUPPORTING ECOSYSTEM IN 2024

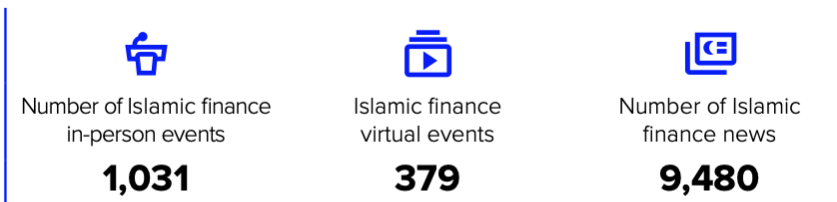
### Governance



### Sustainability



### Awareness



### Knowledge



**Most developed Islamic finance markets according to IFDI 2025**

(Based on financial performance and supporting ecosystem metrics outlined in IFDI)

**1**  
Malaysia



**2**  
Saudi Arabia



**3**  
United Arab Emirates



**4**  
Indonesia



**5**  
Pakistan

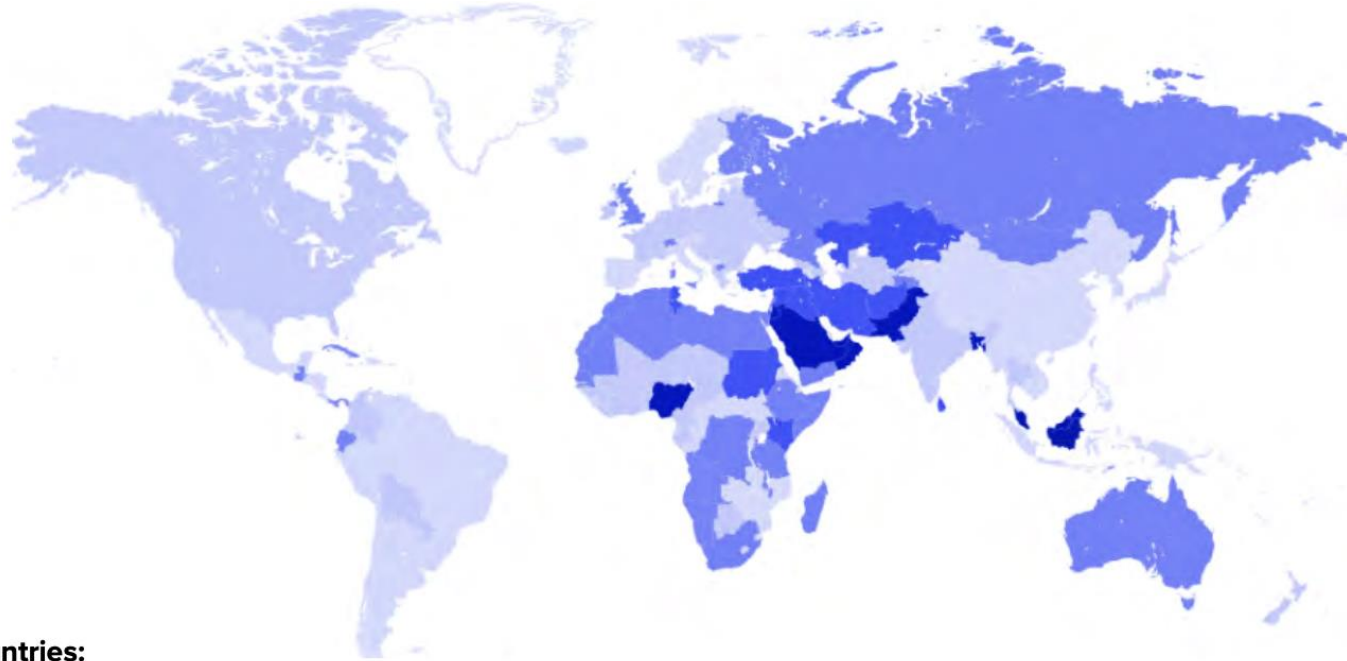


## A GLOBAL OVERVIEW OF ISLAMIC FINANCE DEVELOPMENT *(based of IFDI scores)*

More developed



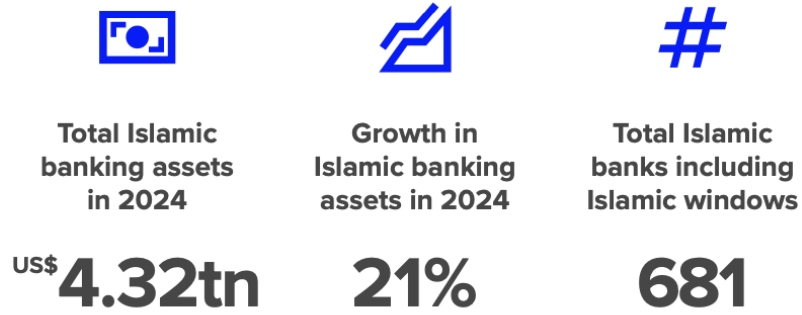
Less developed



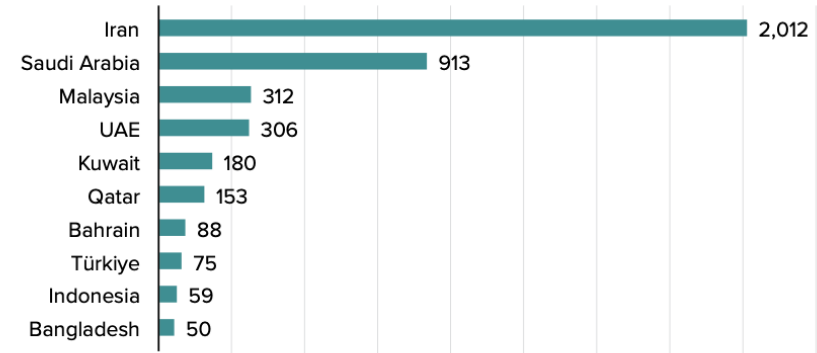
Most developed countries:

<b>1</b> Malaysia 	<b>2</b> Saudi Arabia 	<b>3</b> United Arab Emirates 	<b>4</b> Indonesia 	<b>5</b> Pakistan 	<b>6</b> Kuwait 	<b>7</b> Bahrain 	<b>8</b> Iran 	<b>9</b> Qatar 	<b>10</b> Türkiye 
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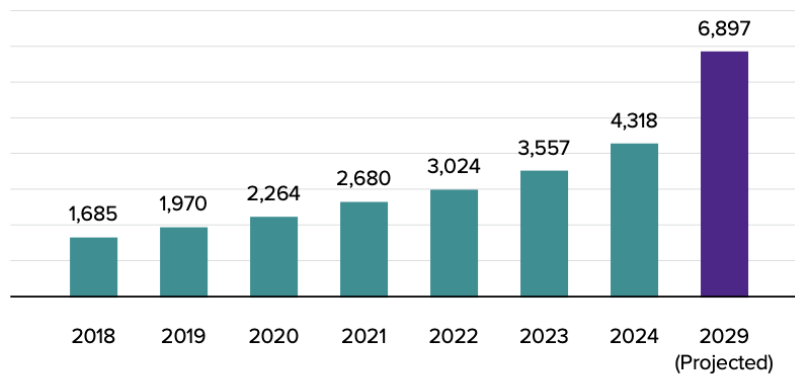
## ISLAMIC BANKING



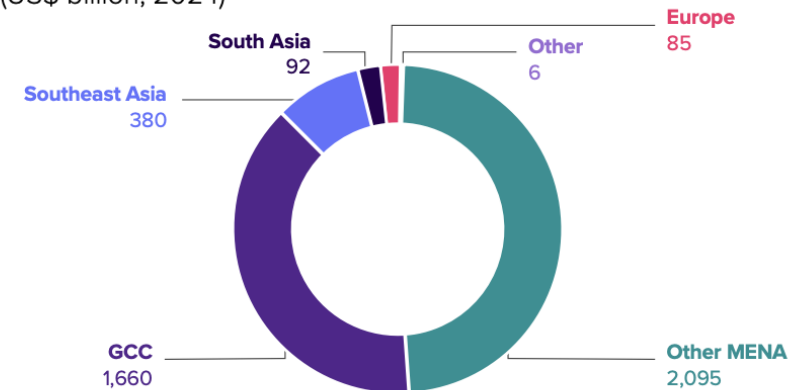
**Top countries by Islamic banking assets**  
(US\$ billion, 2024)



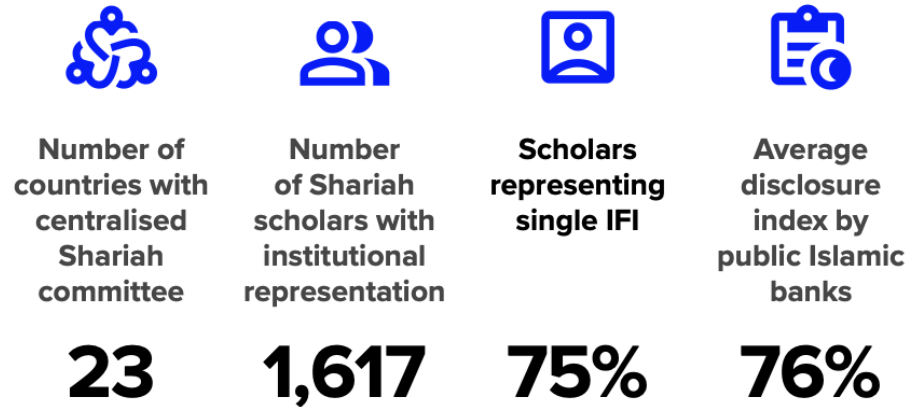
**Islamic banking assets growth**  
(US\$ billion, 2018 - 2024)



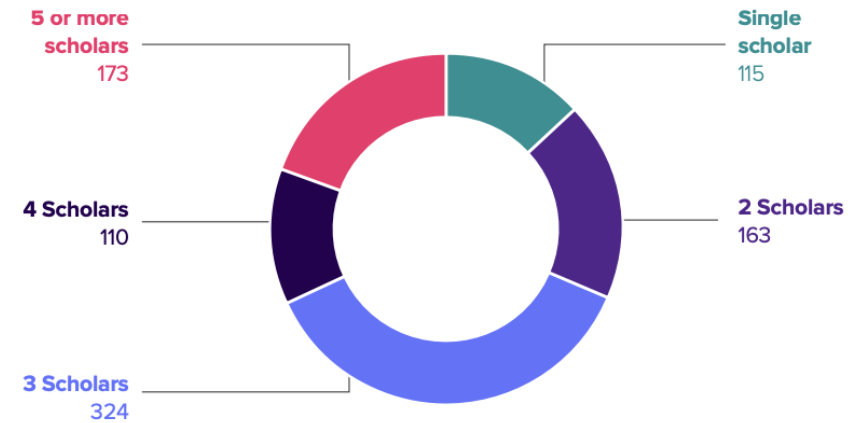
**Islamic banking assets by region**  
(US\$ billion, 2024)



## ISLAMIC FINANCE GOVERNANCE LANDSCAPE IN 2024



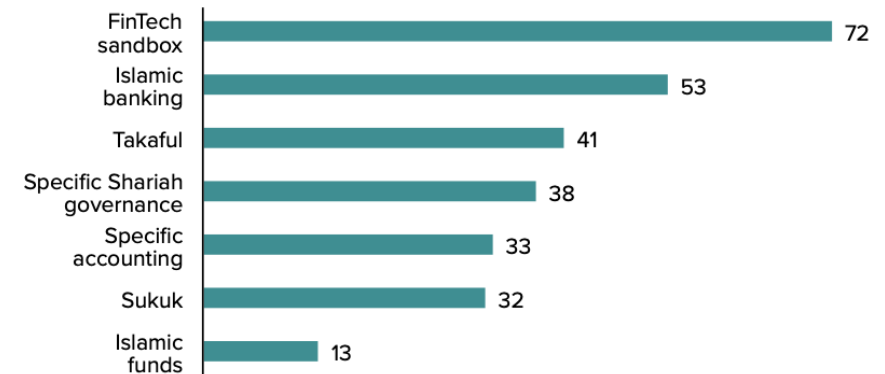
### Number of IFIs per number of Shariah board representatives



### Top countries in governance metrics

Ranking	Number of scholars with at least 1 board membership		Number of institutions with more than 3 SSB members		Disclosure index for public Islamic banks	
	Country	Number of scholars	Country	Number of IFIS	Country	Disclosure index score
1	Bangladesh	240	Bangladesh	58	Bahrain	95%
2	Indonesia	172	Saudi Arabia	55	Malaysia	93%
3	Malaysia	159	Malaysia	52	Kuwait	92%
4	Saudi Arabia	116	UAE	44	Saudi Arabia	92%
5	Pakistan	103	Kuwait	36	UAE	91%

### Number of countries per regulation



# SUSTAINABLE FINANCE



## ISLAMIC FINANCE SUSTAINABILITY LANDSCAPE IN 2024



Total value of  
ESG sukuk  
outstanding

US\$ **61.5bn**



Total value of  
ESG Islamic  
funds outstanding

US\$ **9.7bn**



Number of countries  
with sustainability  
guidelines

**50**



Average  
sustainability reporting  
index score





**49%**



Total CSR  
funds  
disbursed

US\$ **1.65bn**

### Top countries in sustainability metrics

Ranking	 CSR funds		 Sustainability disclosure index		 ESG sukuk		 ESG Islamic funds	
	Country	Amount disbursed (US\$ million)	Country	Score	Country	Value outstanding (US\$ million)	Country	Value outstanding (US\$ million)
1	Saudi Arabia	1,128	Malaysia	100%	United Arab Emirates	16,800	United states	7,942
2	Jordan	185	United Arab Emirates	85%	Malaysia	15,336	Malaysia	1,234
3	Kuwait	78	Sri Lanka	74%	Saudi Arabia	13,710	Saudi Arabia	250
4	United Arab Emirates	65	Türkiye	74%	Indonesia	12,113	United kingdom	172
5	Qatar	64	Saudi Arabia	73%	Bahrain And Qatar	1,000	Luxembourg	55

## BRSA REGULATIONS AND GUIDELINES



### **Sustainable Banking Strategic Plan (2022–2025)**

27 December 2021

The main objective of this document, prepared by the Banking Regulation and Supervision Agency (BRSA), is to define the general strategies and policies required for establishing a sustainable banking infrastructure in the Turkish banking sector in the coming years.

Through this document, TKBB has been assigned the responsibility to explore opportunities for the development of social finance activities and to carry out initiatives aimed at enhancing participation finance systems and social finance practices.

### **Guideline on the Management of Climate-Related Financial Risks**

11 April 2025

The purpose of this document is to establish the principles that will serve as a basis for best practices regarding the policies, processes, and activities to be developed or implemented by banks in order to effectively manage the climate-related financial risks to which they are or may become exposed.

It also aims to define the roles and responsibilities within banks, including those of senior management, in this context.

### **Regulation on the Calculation of Banks' Green Asset Ratio**

The purpose of this regulation is to measure the extent to which banks finance environmentally sustainable economic activities.

Within this scope, the principles and procedures for the calculation and reporting of **the Green Asset Ratio** and other key performance indicators have been established.

## KGK REGULATIONS AND GUIDELINES



**TSRS: Turkish Sustainability Reporting Standards (TSRS):** Turkish Sustainability Reporting Standards (TSRS) was published in the Official Gazette on **29 December 2023** and entered into force on **1 January 2024**.

(TSRS) is a **national system** that enables companies and financial institutions to report their performance in environmental, social and governance (ESG) areas in a standard format. The TSRS, which is **in line with international sustainability reporting standards**, provides an important regulatory framework especially for financial institutions and banks.

### **TSRS 1: General Requirements for Disclosure of Sustainability-Related Financial Information**

This standard emphasizes the necessity for companies to report and disclose their existing or potential sustainability-related risks and opportunities.

### **TSRS 2: Climate-Related Disclosures**

This standard emphasizes that companies must identify, assess, and report their climate-related risks and opportunities.

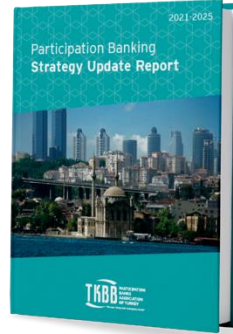


# PUBLICATIONS

## PUBLICATIONS



Participation Banking  
Digital Research Report



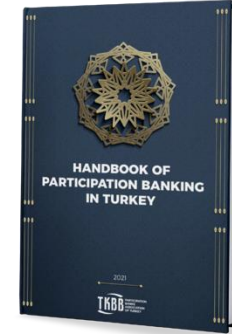
Participation Banking  
Strategy Update Report



Participation Banking  
Annual Report



Katılım Finans  
Magazine



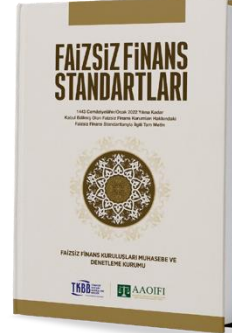
Handbook of Participation  
Banking in Türkiye



Economic  
Analysis



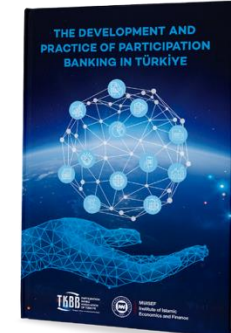
Shariah Standards and  
Operational Requirements



AAOIFI Interest-Free  
Finance Standards



IIFM Selective Standards  
Documents Translation



The Development and  
Practice of Participation  
Banking in Türkiye



# **INTERNATIONAL RELATIONS**

## INTERNATIONAL ACTIVITIES

- Bahrain Institute of Banking and Finance (**BIBF**)
- International Islamic Financial Market (**IIFM**)
- Bosna Bank International (**BBI**)
- The Council of Banks Associations of Turkic States (**CBATS**)
- Azerbaijan Banks Association (**ABA**)
- Uzbekistan Banking Association (**UBA**)
- Association of Banks of the Republic of Kazakhstan (**ABRK**)
- Association of Islamic Finance and Business (**AIFB**)
- The Union of Banks of Kyrgyzstan (**UBK**)
- The Banking and Finance Academy of the Republic of Uzbekistan (**BFA**)
- Qatar Financial Centre (**QFC**)
- The West African Bankers' Association (**WABA**)
- Studying of Economic Resources (**SER**)
- Accounting and Auditing Organization for Islamic Financial Institutions (**AAOIFI**)
- The Statistical, Economic and Social Research and Training Centre for Islamic Countries (**SESRIC**)
- UAE Banks Federation (**UBF**)
- The Association of Banks in Palestine (**ABP**)
- United Nations Development Programme (**UNDP**)
- The Bahrain Association of Banks: BAB (**BAB**)
- Islamic Development Bank (**IsDB**)
- General Council for Islamic Banks and Financial Institutions (**CIBAFI**)
- Association of Islamic Banking and Financial Institutions Malaysia (**AIBIM**)
- Institute of Business Administration Center for Excellence in Islamic Finance (**IBA CEIF**)
- Meezan Bank
- UK Export Finance

Providing  
Technical  
Assistance

Capacity  
Building  
Programs

Training &  
Education  
Programs

Exposure Visits

Webinars

Seminars

Pre-feasibility  
Reports

International  
Projects

Conferences

Joint Programs

Country Reports



# Thank You!

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