



للاقتصاد الإسلامي  
ALBARAKA FORUM



قاعدة بيانات صالح كامل للاقتصاد الإسلامي  
Saleh Kamel Islamic Economy Database

# Türkiye Country Focus

June 2026

# 01 Overview of Economic Sectors in Türkiye

**Türkiye** is considered an important emerging economy and a member of the Organisation for Economic Co-operation and Development (OECD) and **the Group of Twenty (G20)**. Since the 1980s, it has shifted from a state-controlled economic system to a more market-oriented model that relies on private sector participation. Following the **2001** economic crisis, major reforms contributed to improving macroeconomic stability, reducing inflation rates, and attracting significant foreign investment.

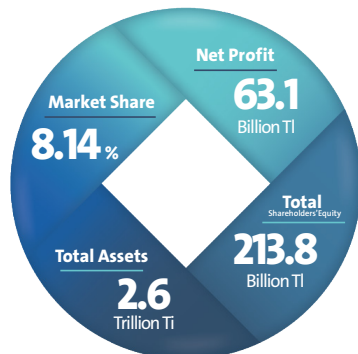
Since then, the economy has achieved strong growth and undergone structural transformation, with the industrial and services sectors becoming dominant instead of agriculture. Key sectors such as tourism and manufacturing contribute significantly to economic performance, supported by trade liberalization and increased integration with the European Union. Despite this progress, challenges remain, such as income inequality, highlighting the need for continued reforms<sup>1</sup>.

# 02 Islamic Economy in Türkiye

The year **2024** has been a critical turning point for the Turkish economy, as the country successfully completed a robust economic recovery. The implementation of a restructured economic model, aligned with anti-inflationary measures and monetary policy reforms, has contributed significantly to fostering macroeconomic stability. Within this broader transformation of Türkiye's financial system, the participation finance sector has emerged as a particularly important component.

In **2024**, the participation finance sector has developed into a dynamic and rapidly growing ecosystem, both within Türkiye and globally. Its expansion has been driven by principles of transparency, sustainability, and socially responsible investing. The sector's swift adoption of digital financial tools and fintech innovations has allowed it to reach a broader and more diverse customer base. Participation banks and their instruments have played a pivotal role in promoting economic development and enhancing financial stability by improving access to financial services for all segments of society.

## The Main Financial Indicators of Participation Banking Sector<sup>5</sup>



Population, million<sup>2</sup>

87.9  
million



GDP, current  
US\$, trillion<sup>3</sup>

1.57  
trillion



Currency

Turkish Lira



Capital

Ankara



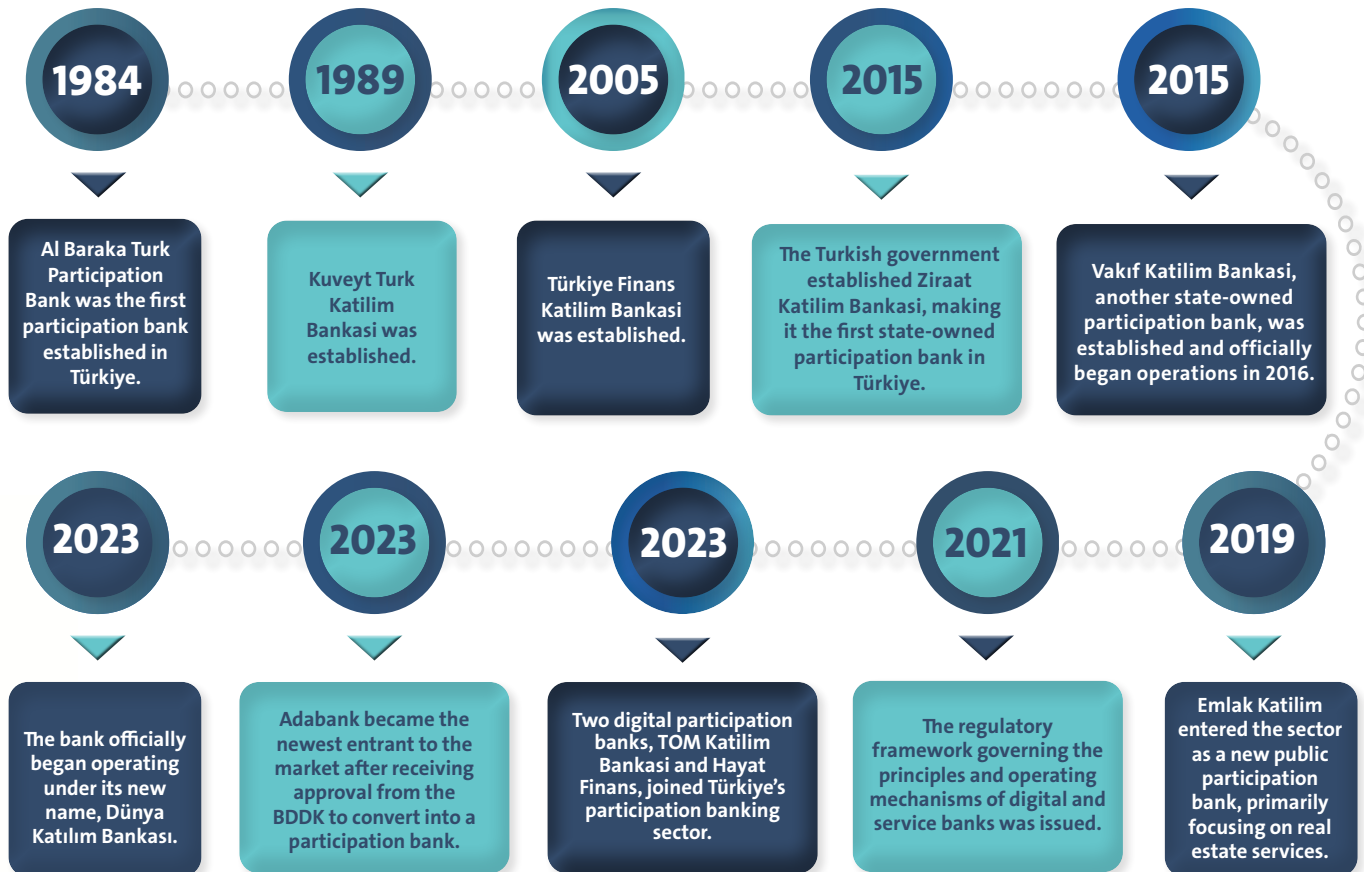
Inflation<sup>4</sup>

30.89

# 03 Historical Development of the Islamic Economy in Türkiye

On **12 August 1974**, Türkiye established its first formal connection with the Islamic finance industry when it became one of the twenty-two founding member states of the Islamic Development Bank. Currently, the bank's membership has expanded to **57 countries**, with Türkiye holding approximately **6.45%** of its total shares. In **2024**, Türkiye marks forty years of experience in participation banking. The foundations of this sector were laid in **1983** when the Turkish Council of Ministers issued a decree permitting the establishment of "special finance institutions." Subsequently, participation banks began operating in this field in 1984. During the **1990s**, these institutions experienced significant growth, leading to their inclusion under the banking under the Banking Law in **1999**.

## 3.1 Establishment of Participation Banks<sup>6</sup>



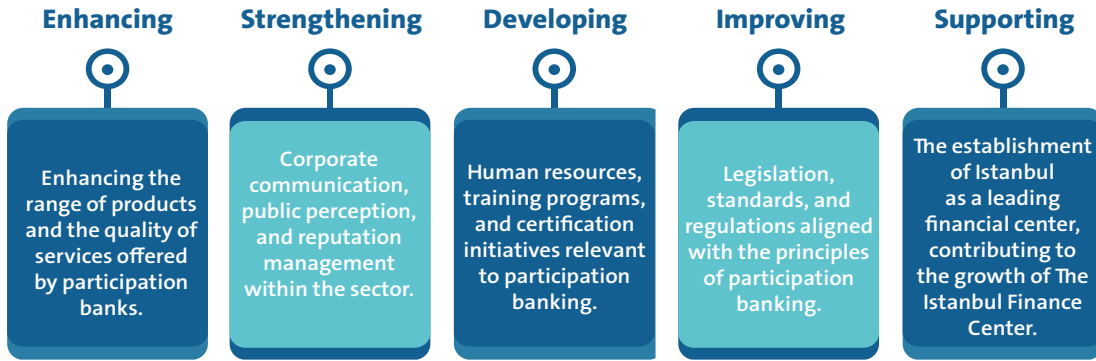
## 3.2 Legal Recognition and Reforms<sup>7</sup>



### 3.3 Government-Led Initiatives and Strategic Plans<sup>8</sup>

According to the vision of the Participation Banks Association of Türkiye (TKBB), the participation banking sector is expected to reach a market share of **15% by 2025** and provide financial products and services that meet global standards.

To ensure the healthy and sustainable development of participation banking in Türkiye, the mission of the Participation Banks Association of Türkiye (TKBB) includes the following objectives :



## 04 Islamic Banking in Türkiye

As of **2025**, Türkiye's Islamic banking sector has continued to grow steadily, reflecting increasing demand for Sharia-compliant financial products. The country has **7** fully-fledged Islamic banks operating alongside **2** digital participation banks, providing a wide range of services including deposit accounts, investment products, financing, and sukuk issuance. The total number of branches has reached **1,494**, expanding the sector's physical presence across the country<sup>9</sup>.

In **2025**, the total number of branches of Islamic banks in Türkiye reached **1,494**, reflecting the sector's expanding presence across the country. Kuveyt Türk Katılım Bankası leads with **453** branches, followed by Ziraat Katılım Bankası with **226** branches and Albaraka Türk Participation Bank with **225** branches. Türkiye Finans Katılım Bankası and Vakıf Katılım Bankası operate **224** and **218** branches, respectively, while Türkiye Emlak Katılım Bankası has **123** branches. Smaller banks such as Dünya Katılım Bankası account for **25** branches. This distribution highlights the dominance of major participation banks in Türkiye's Islamic banking network<sup>9</sup>.

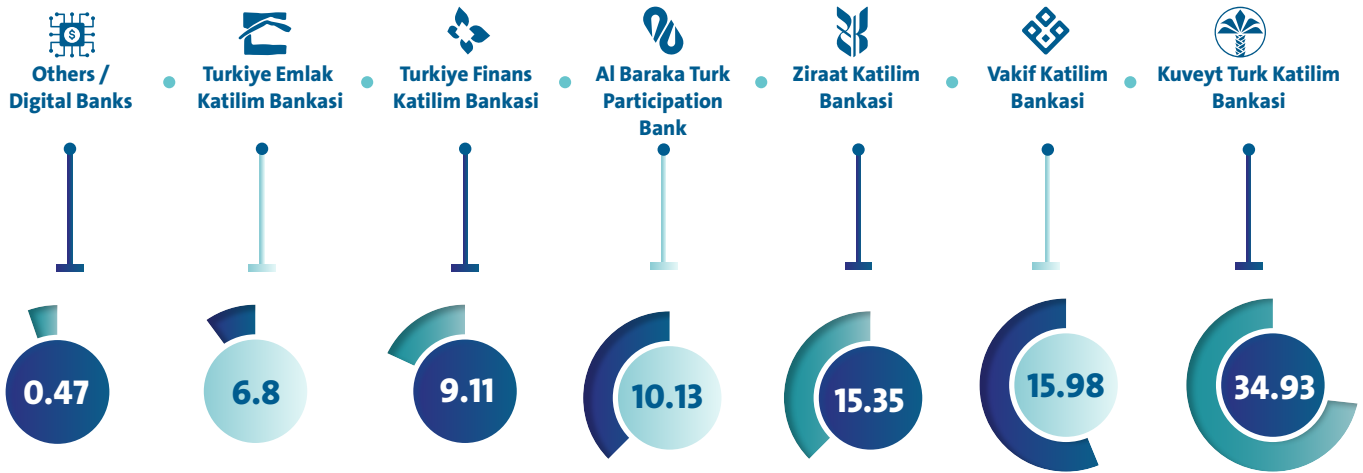
### Number of Branches of Participation Banks in Türkiye



## 4.1 Total Assets of Islamic Banks

The Islamic banking sector in Türkiye has witnessed significant growth, with participation banks playing a key role in the country's financial system. The distribution of total assets among participation banks shows that Kuveyt Türk Katılım Bankası holds the largest share, with total assets amounting to **34.93 billion USD**. It is followed by Vakıf Katılım Bankası, with total assets of **15.98 billion USD**. In contrast, Türkiye Emlak Katılım Bankası reported total assets of **6.8 billion USD**, while other and digital participation banks together accounted for approximately **0.47 billion USD**, reflecting a relatively small share of the sector's total assets<sup>10</sup>.

### Total Assets of Islamic Banks in Türkiye in Billion USD



## 4.2 Sukuk by Participation Banks in Türkiye

In **2025**, the total sukuk issuance by participation banks in Türkiye reached approximately **4.25 billion USD**, highlighting the growing role of Islamic finance instruments in the country. Ziraat Katılım Bankası led the issuance with around **1.77 billion USD**, followed by Al Baraka Türk Participation Bank at **0.98 billion USD** and Vakıf Katılım Bankası with **0.59 billion USD**. In contrast, smaller banks such as Kuveyt Türk Katılım Bankası and Türkiye Finans Katılım Bankası issued relatively modest amounts, **0.13 billion USD** and **0.19 billion USD**, respectively, indicating that sukuk issuance remains concentrated among the largest participation banks. This demonstrates that while sukuk is an important financing tool, its adoption varies significantly across banks of different sizes<sup>9</sup>.

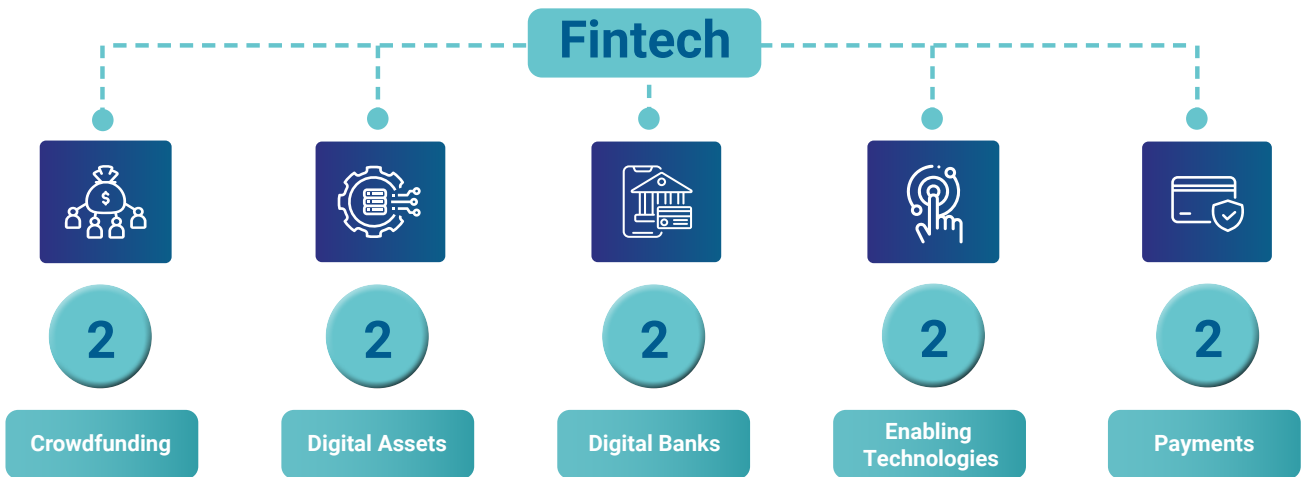
## Total Volume of Sukuk Issuances in Türkiye in Billion USD



## 05 Islamic Fintech Services in Türkiye

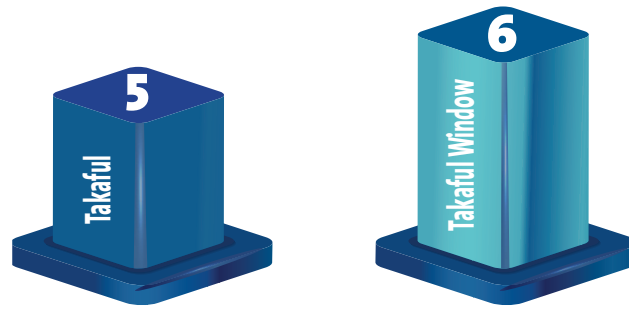
The FinTech sector in Türkiye shows a balanced diversity of services, with each of the following areas Crowdfunding, Digital Assets, Digital Banks, Enabling Technologies, and Payments offering an equal number of services, with **two** services in each category. This distribution reflects the Turkish market's focus on developing innovative and varied financial solutions in a well-balanced manner.

### Islamic Fintech Services in Türkiye



## 06 Takaful in Türkiye

The Takaful sector in Türkiye has been steadily growing, comprising a total of **11 companies**, including **5** specialized Takaful operators and **6 conventional** insurance companies offering Takaful windows. Together, these developments highlight the increasing significance and diversification of the Takaful industry in Türkiye, catering to a growing number of individuals and businesses seeking Shariah-compliant financial protection.



## 07 Halal Industry in Türkiye

The halal industry, covering sectors such as food and beverages, pharmaceuticals, cosmetics, fashion, tourism, and finance, has been expanding rapidly worldwide. A key element of this growth is halal certification, which ensures that products and services comply with Islamic law, including prohibitions on pork, alcohol, and other non-permissible ingredients. In Türkiye, there are currently **49** halal certification bodies, supported by **2** accreditation bodies that oversee and ensure the credibility of these certifications. This system not only guarantees consumer confidence but also facilitates domestic and international trade. Driven by the growing Muslim population and rising awareness of ethical and safe consumption, the halal industry has become a significant contributor to economic growth, investment opportunities, and global commerce.

Türkiye remains a key player in the global Islamic economy, supported by its strong industrial base, strategic trade position, and active participation in halal-sector investments. In the **2024** Global Islamic Economy Indicator, Türkiye ranked 9th worldwide. The report also points to Türkiye as one of the countries helping drive intra-OIC trade and investment, reflecting its growing regional importance. It was ranked among the top five exporters to OIC countries, with exports reaching **US\$33.9 billion**, making it the third-largest exporter in that group. In investment activity, Türkiye recorded **23 halal-economy** deals worth **US\$127.58** million in **2023**<sup>12</sup>.



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