



23RD MEETING OF THE COMCEC FINANCIAL COOPERATION WORKING GROUP

"Sustainable and Eco-friendly Islamic Finance: New Approaches to Combating Climate Change and Natural Disasters in OIC Member Countries"

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About Us



- Professional public institution established by the relevant provision of the Banking Law in 2001
- The main representative of the participation banking sector in Türkiye with its 9 participation banks
- Works with the government, regulators and other stakeholders
- Has a range of working committees to support member banks' priority issues
- Conducts extensive training programmes
- Increase public awareness and understanding about Participating Banking

Participation Banking Strategy Update Report (2021-2025)

- The actions to be taken for a healthy and sustainable development of participation banking in Türkiye are set under 6 main strategic objectives.



Existing Participation Banks in Türkiye



Foreign Investment

Albaraka Group **54%**

Local Partners
% 9

IsDB **8%**

Listed **25%**

Alharty Family
3.5%

Foreign Investment

KFH **57,81%**

General Directorate of Foundation Türkiye **24,49%**

IsDB **8,36%**

Wafra International Investment Company **8,36%**

Other **0,98%**

Foreign Investment

Saudi National Bank (SNB) **67%**

Gözde Venture Capital **10.5%**

Others **22%**

State-owned

Ziraat Bank
100%

State-owned

General Directorate of Foundation Türkiye **99%**

Others **1%**

State-owned

Republic of Türkiye Ministry of Treasury and Finance **100%**

Private-owned

Hayat Kimya **50%**

Kastamonu Entegre **49,9997%**

Others **0,0003 %**

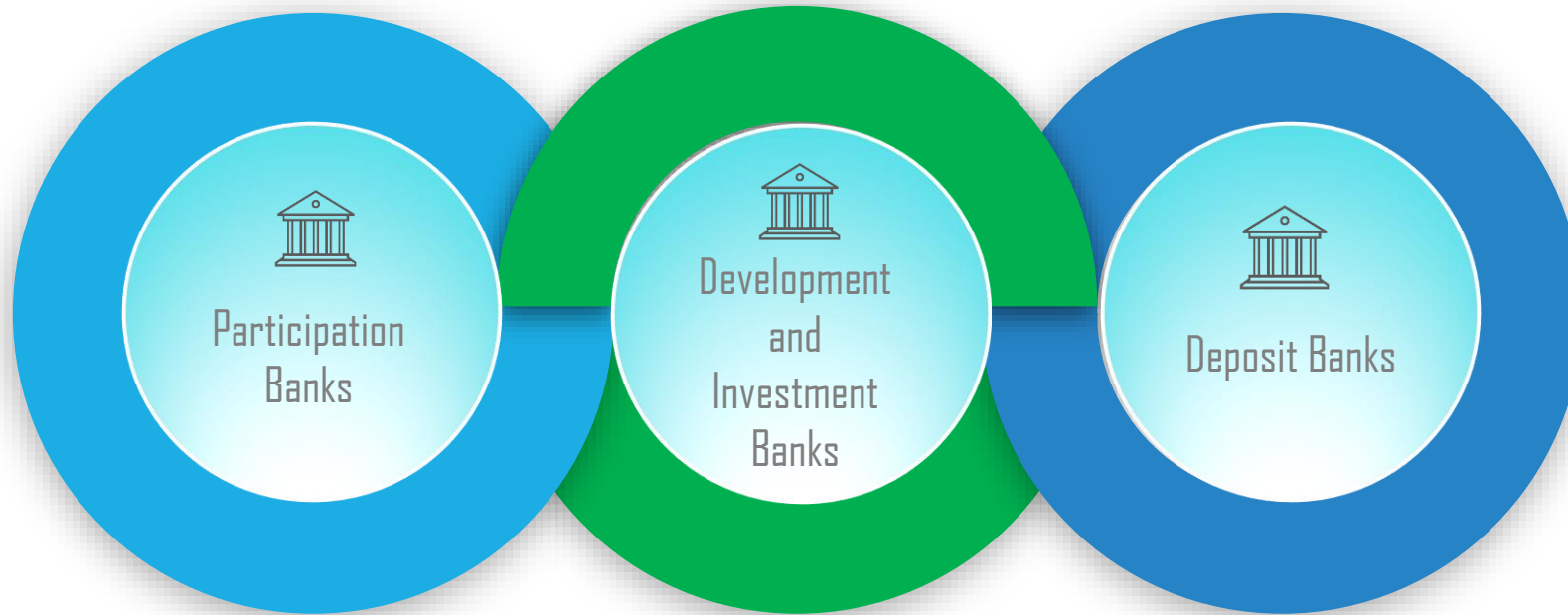
Private-owned

Private Owners
100%

Private-owned

Private Owners
100%

Banking Sector



Turkish Banking Sector - February 2025



	Participation Banks	Deposit Banks	Development and Investment Banks	Banking Sector
Banks	9	34	20	63
Branches	1.517	9.256	76	10.849
Personnel	21.717	181.824	6.496	210.037

Banking Sector Financials - February 2025



ASSETS



34.362 Billion ₺
(947 Billion \$)

ALLOCATED FUNDS



17.767 Billion ₺
(489 Billion \$)

COLLECTED FUNDS

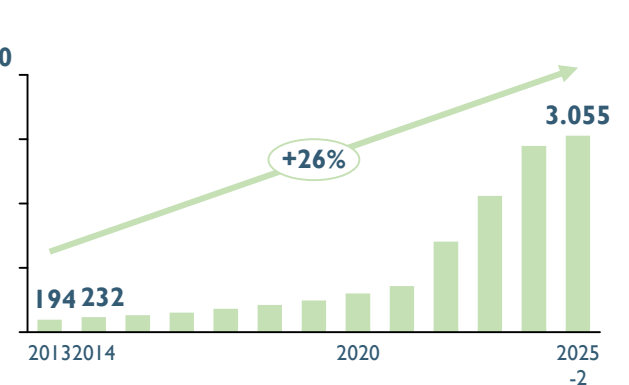
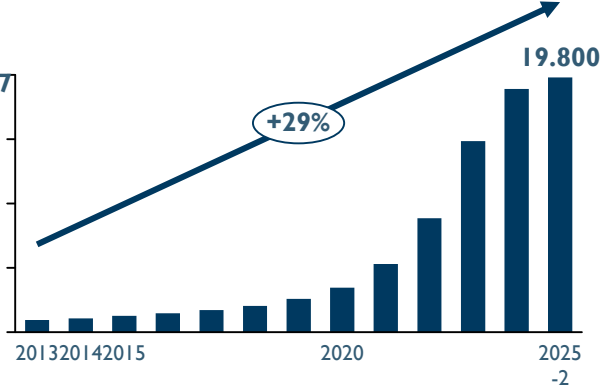
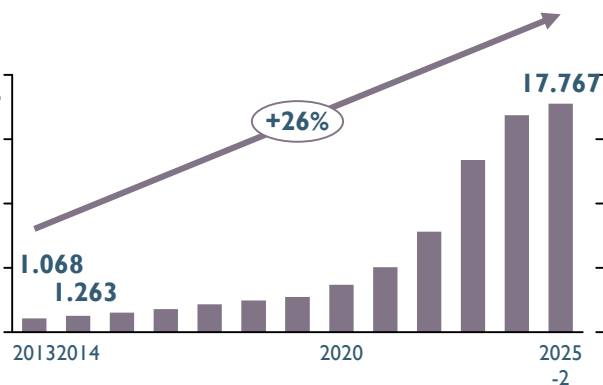
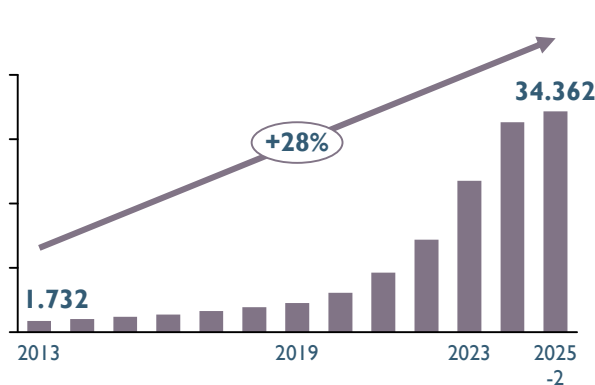


19.800 Billion ₺
(546 Billion \$)

EQUITY



3.055 Billion ₺
(84 Billion \$)



Participation Banking Sector Financials - February 2025



ASSETS



2.821 Billion ₺
(77 Billion \$)

ALLOCATED FUNDS



1.482 Billion ₺
(40 Billion \$)

COLLECTED FUNDS

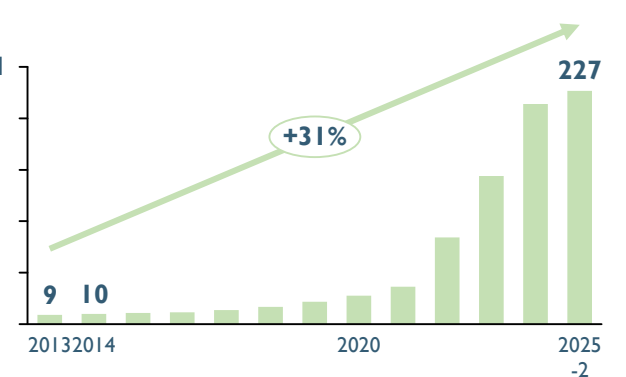
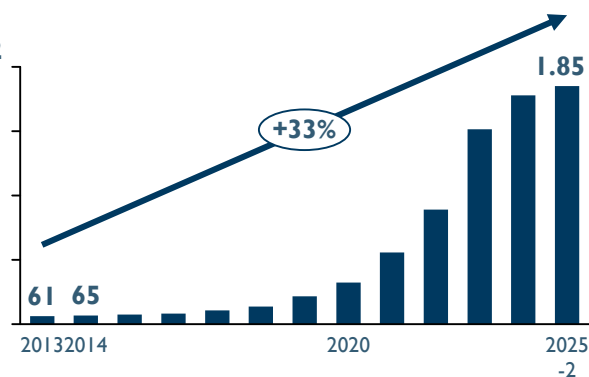
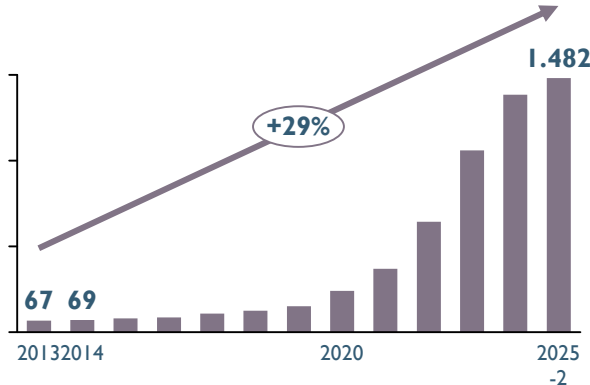
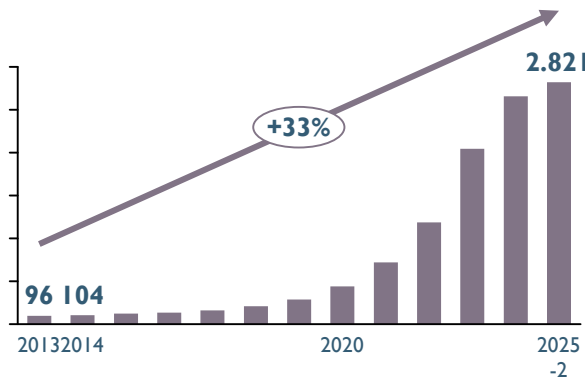


1.851 Billion ₺
(51 Billion \$)

EQUITY



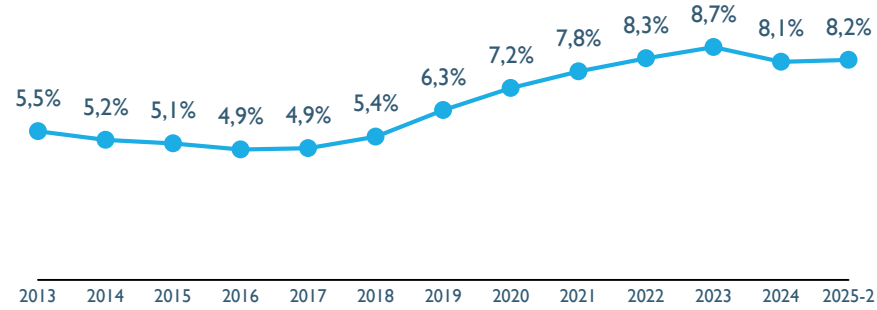
227 Billion ₺
(6 Billion \$)



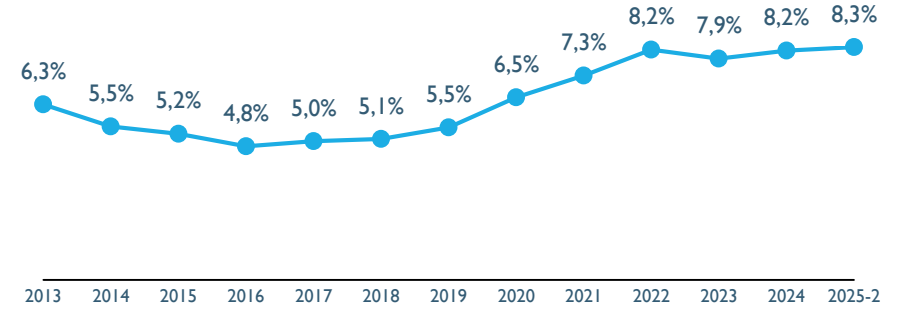
Participation Banks Market Share (%) *February 2025*



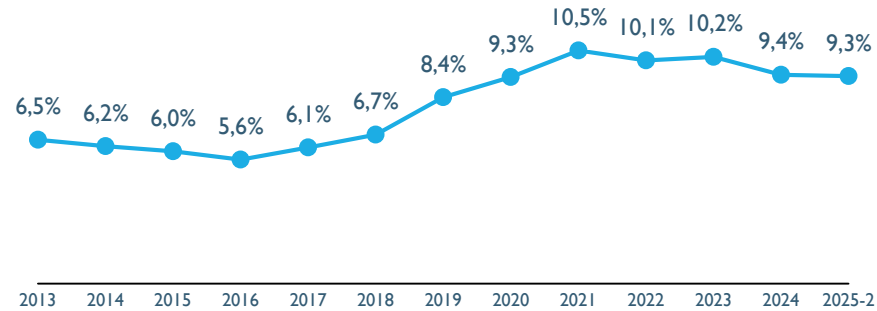
ASSETS



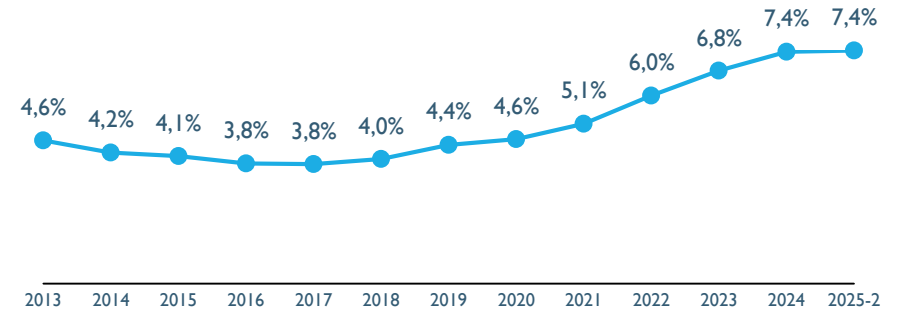
ALLOCATED FUNDS



COLLECTED FUNDS



EQUITY



Interaction With Sustainability



- The basic values and principles of participation banking overlap with the principles of sustainable finance.
- Turkish participation banking sector stakeholders also position sustainability activities at the centre of their corporate strategies and develop exemplary practices in this area.
- TKBB, which has a multi-dimensional integrated sustainability approach covering both the activities of member banks and other stakeholders, carries out its sustainability activities with a broad perspective approach.

Facilitation Objectives



- To support the SDGs to achieve the Sustainable Development Goals by 2030 in the vision of IsDB and UNDP
- Supporting the role of sustainable finance in development
- Observing social benefit
- Raising awareness
- Increasing financial inclusion

Regulations and Guidelines



Sustainability Principles
Compliance Outline



Guidelines on Green Debt
Instruments, Sustainable Debt
Instruments, Green Lease Certificates
and Sustainable Lease Certificates



Communiqué on Monitoring
and Reporting of Greenhouse
Gas Emissions



Green Deal Action Plan



TSRS1: General Provisions
on Disclosure of
Sustainability-Related
Financial Information



TSRS 2: Climate Related
Disclosures



Guidance on the Management
of Climate-related Financial
Risks



Communiqué on Banks' Green
Asset Ratio Calculation

Regulations and Guidelines



Sustainability Principles Compliance Outline: “Sustainability Principles Compliance Framework’ includes the basic principles that publicly traded companies are expected to disclose while conducting their Environmental, Social and Corporate Governance (ESG) activities. Although the implementation of these principles is voluntary, it is **obligatory** to report whether they are implemented or not on the basis of the ‘**Comply or Disclose**’ principle.



Guidelines on Green Debt Instruments, Sustainable Debt Instruments, Green Lease Certificates and Sustainable Lease Certificates: This Guideline regulates the principles and principles to be followed in the issuance of **green debt instruments, green lease certificates with sustainable debt instruments, sustainable lease certificates** and domestic and international issuances of these instruments. The Guidelines aim to ensure that the issuance of green debt instruments, sustainable debt instruments and green lease certificates and sustainable lease certificates are carried out in line with the best practices and standards* **in international financial markets**, and to increase transparency, integrity, consistency and comparability in the financing of green projects that can contribute to environmental sustainability. * The Guide is based on the International Capital Markets Association's Green Bond Principles, June 2021 (**ICMA, Green Bond Principles, June 2021**)

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.



Green Deal Action Plan: In order to contribute to Türkiye's transition to a sustainable and resource-efficient economy and to ensure that Türkiye adapts to the comprehensive changes envisaged by the European Green Deal in a way that preserves and further enhances the integration achieved under the Türkiye-EU Customs Union, the Action Plan includes **(1) carbon regulations at the border, (2) a green and circular economy, (3) green financing, (4) clean, economic and secure energy supply, (5) sustainable agriculture, (6) sustainable smart transport, (7) combating climate change, (8) diplomacy and (9) European Green Deal information and awareness raising activities.** In this framework, the Action Plan includes a total of **32 targets and 81 actions** under **9 main headings**



Communiqué on Monitoring and Reporting of Greenhouse Gas Emissions: The Communiqué was published in the Official Gazette in July 2024. The purpose of the Communiqué is to regulate the procedures and principles regarding the monitoring and reporting of greenhouse gas emissions and related activity data.

Regulations and Guidelines



‘Communiqué on Banks’ Calculation of Green Asset Ratio": Communiqué’ was published in the Official Gazette on April 2025 and entered into force. Pursuant to the Communiqué, it is envisaged that the ratios to be calculated based on the green asset criteria determined by the BRSA **will be reported to the BRSA** at the first stage, and it is aimed to take into account the comprehensive classification criteria to be implemented at the national level in the following stages.

The calculation and reporting practice, which is envisaged to start on **June 2025** data, is expected **to increase transparency and market discipline, strengthen awareness and motivation towards green financing among banks , prevent misleading practices and statements, support the process of access to international financing** and make a significant contribution **to the realisation of Türkiye's climate change targets and international commitments .**



‘Guidelines on the Management of Climate-Related Financial Risks’: The Basel Committee published the **‘Principles for the Effective Management and Supervision of Climate-related Financial Risks’** document in **June 2022**. The final version **of the ‘Guidelines for the Effective Management and Supervision of Climate-related Financial Risks’** prepared on the basis of the principles in the said document has been completed and the BRSA Board has decided that the Guidelines will enter into force as of July 2025.

First Green Sukuk Issuance In The Recycling Sector



Türkiye's **first green sukuk** in the recycling sector was issued by Emlak Varlık Kiralama A.Ş. for Ekovar.



Ekovar considers waste as raw material and resource, and serves throughout Türkiye with environmentally and economically sustainable activities by evaluating all elements of waste management as a whole. To this end, Ekovar contributed to the natural environment by carrying out waste recycling and recycling activities with the funds obtained from the issuance of green lease certificates..



Ekovar used the funds raised from the issuance of green lease certificates under the Green Lease Certificate Framework Document 2 on 14/09/2022 to finance green projects (**approximately 44 product ranges including electronic waste processing, scrap panels, scrap cells, scrap meters, scrap insulators, metal parts, cables, electrical and electronic equipment waste, transformers**) within 1 month from the date of issuance. Thus, Ekovar prevented the generation of waste with the funds it obtained from the issuance of green lease certificates, thus contributing positively to the economy and to climate change by reducing carbon emissions.



EKOVAR's Green Sukuk was issued on September 14, 2022 under the **Capital Markets Board's Green Debt Instrument and Green Lease Certificate Guidelines** published in February 2022. Within the scope of the Green Sukuk Framework Document prepared prior to the Sukuk issuance, a second party opinion was obtained from Metsims Sustainability Consulting.

- Thanks to the recycling of scrap waste obtained with the funds obtained from the issuance of Green Lease Certificates, approximately **31,311 tCO2e** of carbon emission reduction was achieved.



Türkiye Emlak Katılım
Bankası A.Ş.

First Green Sukuk
Issuance in the
Recycling Sector

TRY 50 Million

**Contribution
to the SDGs**



Green Sukuk Issuances in Türkiye



Fund User	ISIN Code	Issue Amount (TL)	Yield Ratio	Issue Date	Amortisation Date	Day
Türkiye Emlak Katılım Bank A.Ş.	TRDEVKSK2228	51.800.000	Variable	10.11.2021	16.11.2022	371
Türkiye Wealth Fund Istanbul Finance Centre Inc.	TRDEMVK2317	600.000.000	22	24.12.2021	22.12.2023	728
Ekovar Environment Group Return Waste Storage Inc.	TRDEMVK32329	50.000.000	27	14.09.2022	10.03.2023	177
Türkiye Emlak Katılım Bank A.Ş.	TRDEVKS12427	500.000.000	20	14.11.2022	18.01.2024	430
Ekovar Environment Group Return Waste Storage Inc.	TRDEMVK32436	50.000.000	33	10.03.2023	8.03.2024	364
Ekovar Environment Group Recycling Waste Storage Inc.	TRDEMVK92331	50.000.000	30	5.04.2023	29.09.2023	177
YEŞ Car Rental and Tourism Investments Inc.	TRDHVKA32426	125.000.000	47	13.12.2023	13.04.2024	91
Invesment and Development Bank of Türkiye (TKYB) Wheat Price-Indexed Sukuk Issuance		30.000.000				
Smart Technology& Emlak Katılım	TRFSMART24T19	250.000.000		27.11.2024	03.12.2025	371

- The **value** of green sukuk issued in Türkiye is **₺1 billion 707 million.**

Global Sustainable Tier 2 Subordinated Sukuk Issuance



Kuveyt Türk realized the "**Global Sustainable Tier 2 Subordinated Sukuk Issuance**" in 2021, the **first** of its kind in the world. The issuance, amounting to USD 350 million, received approximately 12 times the demand.



The net proceeds from the issuance of sustainable sukuk were directed to the financing or refinancing of green and social projects. In this context, the Bank invested in green projects such as solar power plants (**SPP**), wind power plants (**WPP**), hydroelectric power plants (**HPP**) and bioenergy power plants (**BES**). A total investment of **USD 592,575,731** was realized for **105 projects**. In addition, **\$118,332,963** was invested in 376 rooftop solar power plant projects. In addition to these green investments, there has also been a focus on social investments, particularly in women and youth entrepreneurs, with a total of **4465 projects** invested in, 4528 of which were aimed at supporting women entrepreneurship. In total, **165,297,322 dollars** were invested in social investments.



The issuance has an ESG (Environmental-Social-Governance) structure and the Impact Report prepared for the sukuk issuance realized in 2021 was prepared by receiving services from Sustainalytics for the secondary party opinion and E&Y for the third party opinion.



In line with the data set obtained from the reporting, it was determined that **72%** of the total distribution was **Green Projects** and **28%** was **Social Projects**. In particular, the fact that the **ratio of Women Entrepreneurs** in Social Projects is around **98%** emphasizes the importance given to social development as well as environmental impact.



Kuveyt Türk

Global Sustainable
Tier 2 Subordinated
Sukuk Issuance

350 Million ABD \$

**Contribution to
the SDGs**



Green Lease Certificate Issuance



On 18 January 2024, a 430-day maturity green sukuk was issued in the amount of **TL 500,000,000**. All of the funds obtained from the Green Lease Certificate issuance were used **for the construction of green buildings**, which are envisaged to have LEED certificate (LEED GOLD), one of the internationally recognised green building certificates.



With the funds obtained from the issuance, **10,320 tCO2e of carbon emissions** and **9,754 m3 of water consumption** were prevented with the commissioning of the green buildings, the construction of which has been largely completed. Thus, a positive contribution was made to climate change by preventing carbon emissions with the funds obtained from the issuance of green lease certificates.



The direct and indirect contributions of green lease certificate issuance to green project categories, the Sustainable Development Goals they contribute to and the European Union Sustainable Finance Taxonomy targets are shared in the table below.

EU Taxonomy Objectives



- Mitigation of Climate Change
- Protection and Sustainable Use of Water and Marine Resources
- Transition to Circular Economy, Pollution Prevention and Control

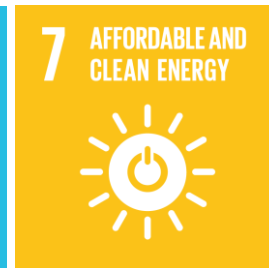
Conservation of biodiversity and ecosystems



Türkiye Emlak Katılım

TRY 500 Million

Contribution to the SDGs



TÜRKİYE's Initiatives in the Field of Islamic Sustainable Finance

7 AFFORDABLE AND
CLEAN ENERGY



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



In support of renewable energy, Kuveyt Türk facilitated rooftop **solar power plant (SPP) financing totaling 1.3 billion TL in 2023**, corresponding to a total capacity of 95 MW. Notably, 12.98% of the total financial leasing volume intermediated by the bank was allocated to rooftop SPP projects.

Aiming to grow in the field of agricultural banking, **Kuveyt Türk** also provides **direct financing for the purchase of agricultural drones**. The use of drones in agriculture proves to be an efficient solution for mapping and crop inspection, enabling farmers to **save energy** by easing labor-intensive tasks such as **land mapping, crop monitoring, and harvest tracking**.



Vakıf Katılım offers free consultancy services to all customers who apply for **green energy** projects. In 2023, the bank provided a total of **1.9 billion TL in financing support for green energy initiatives**.



Türkiye Finans supports numerous **solar and wind power plants** to help unlock Türkiye's sustainable energy potential. In line with rooftop SPP regulations, the bank views the rooftops of the manufacturing facilities of its partner companies as valuable assets for solar energy generation. With this perspective, Türkiye Finans has extended over **210 million USD in financing for renewable energy projects** in Türkiye, amounting to a total installed capacity of 350 MW—primarily focused on green energy.

TÜRKİYE's Initiatives in the Field of Islamic Sustainable Finance

6 CLEAN WATER AND SANITATION



Ziraat Katılım has offered the following products for **individual customers**: “Green Home Housing Finance,” “Green Vehicle Finance,” “Individual Energy Efficiency Finance,” and “Energy Efficiency Management Finance.”

For commercial customers, the bank has started offering: “Solar Power Plant (SPP) Investment and Operation Finance,” “Renewable Energy Investment and Operation Finance,” “Energy Efficiency Investment and Operation Finance,” and “Wastewater Treatment and Recovery Investment and Operation Finance.”

Albaraka Türk offers the **Grey Water/Environmental Credit**, a product that combines an innovative approach with environmental responsibility. **The Grey Water Credit Project aims to finance initiatives where treated grey water is reused in areas such as toilet flushing, garden irrigation, car washing, general cleaning, cooling tower supply, and laundry.**

The target customer for the product includes both individual and commercial customers who seek financing for systems and eco-friendly projects aimed at sustainability, water and energy efficiency, environmentally conscious use of materials and resources, indoor and outdoor environmental quality, recycling, and waste reduction. Within the scope of the Grey Water/Environmental Credit, Albaraka Türk provides advantages such as grace periods, long-term financing options, reduced profit rates, and subsidized financing.

TÜRKİYE's Initiatives in the Field of Islamic Sustainable Finance

4 QUALITY EDUCATION



1010 Explorer Project

With the motto “*Growing with Our Values*”, Kuveyt Türk aims to preserve and promote social values, and continues to support education and science through the **1010 Explorer Project**, launched in 2018. In collaboration with the Turkish Red Crescent and the Ministry of National Education, the project brings coding and robotics training to schools across Türkiye. Through educational and technological support, Kuveyt Türk helps prepare the younger generation for the professions of the future.

Entrepreneur Explorer Project

Through the **Entrepreneur Explorer**, an innovative, production- and development-oriented online entrepreneurship education platform for children, Kuveyt Türk aims to help children discover their talents. Designed for children aged 8 to 13, the platform offers story-based educational content and access to interactive activities led by puppets developed by educational specialists.



Türkiye Finans is committed not only to initiatives in the financial sector but also to promoting equal opportunities in education. To support access to quality education for children in need, the bank has facilitated educational opportunities for approximately 5,000 children through partnerships with **Koruncuk Foundation** and the **Educational Volunteers Foundation of Türkiye (TEGV)**.

TÜRKİYE's Initiatives in the Field of Islamic Sustainable Finance



Turkish Red Crescent Mobile Catering Vehicle

Kuveyt Türk fully financed the design and production of **two mobile catering vehicles** to be used by the Turkish Red Crescent for food distribution during disasters or wherever needed. Every stage of the project—from construction to final preparation—was entirely funded by Kuveyt Türk.

Türkiye Finans – “We’re Here for Tomorrow” Initiatives

Inspired by its motto “*We’re Here for Tomorrow*”, Türkiye Finans continues to implement impactful initiatives that reduce paper consumption and carbon footprint. It became the **first participation finance institution** to launch the “**Digital Receipt**” feature for card transactions.

Since 2021, **all credit cards issued by Kuveyt Türk** have been produced from recycled plastic materials. To further reduce plastic use, the bank promotes digital payment alternatives such as **QR payments**, while continuing to encourage customers to opt for **e-statements**.

Türkiye Finans – Embracing Diversity and Inclusion

At Türkiye Finans, **diversity as a part of social sustainability** lies at the heart of the corporate culture. While the average female employment rate in participation banking is around 20%, Türkiye Finans has raised this rate to **40.3%**, with the aim of increasing it even further in the future.

Vakıf Katılım – Supporting Women Entrepreneurs

With the **Women Entrepreneur Support Package**, Vakıf Katılım has enabled female entrepreneurs to access the necessary financial resources, empowering their participation in the business world and supporting their investments.

Strategic Actions To Mitigate The Adverse Effects Of Disasters

Zakat, Sadaqah, and Waqf Funds

Islamic banks can organize special zakat/sadaqah campaigns dedicated to disaster-affected areas and manage these funds transparently to direct resources effectively.

Qard Hasan (Benevolent Financing)

Interest-free, non-repayable, and term-based financing options can be provided to meet the urgent needs of individuals affected by disasters.

Microfinance for Agriculture and Livestock

Special financing opportunities can be expanded for individuals in rural areas whose livelihoods in agriculture and livestock have been damaged.

Digital Fundraising Platforms



THANK YOU

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