Participation finance share in Türkiye rises to around 9%: CBRT chief

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Central Bank of the Republic of Türkiye (CBRT) Governor Fatih Karahan spoke at the 3rd Global Islamic Economy Summit, Istanbul, Türkiye, June 5, 2026. (AA Photo)

Participation finance in Türkiye has grown steadily over the past decade, with its share of total financial assets standing at nearly 9% today, the Turkish central bank chief said on Friday.

That is up from a 4.5% share in the early 2010s, Central Bank of the Republic of Türkiye (CBRT) Governor Fatih Karahan told the 3rd Global Islamic Economy Summit.

Often known as interest-free or Shariah-compliant finance, the sector has expanded in a "stable and consistent" manner rather than through rapid growth spurts, Karahan said.

He highlighted that Islamic finance provides an alternative funding channel, particularly for small and medium-sized enterprises (SMEs) that may struggle to access conventional credit.

"Many SMEs that cannot obtain loans through traditional banking tools are able to continue their operations through participation finance instruments," he said, adding that this contributes to broader financial inclusion and the efficient use of idle savings.

Karahan suggested that participation banks have demonstrated stronger loan growth compared to conventional banks, contributing to their rising market share.

He also noted that the CBRT has been developing liquidity management tools compatible with participation finance principles, alongside macroprudential policies tailored to the sector's structure.

"The calibration process has been ongoing for two years," Karahan said, adding that some CBRT credit facilities for exporters and long-term investment financing have been restructured so they can also be accessed by participation finance institutions, helping increase their market presence.

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