



Turkish Permanent  
Mission to the  
Organization of Islamic  
Cooperation  
Jeddah

La représentation permanente  
de la Türkiye auprès de  
l'Organisation de Coopération  
Islamique  
Djeddah

الممثلة الدائمة  
للجمهورية التركية  
لدى  
منظمة التعاون الإسلامي  
جدة

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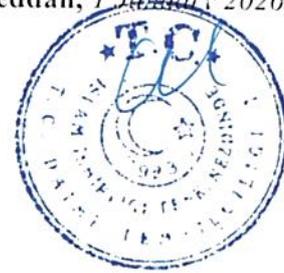
The Permanent Mission of the Republic of Türkiye to the Organization of Islamic Cooperation (OIC) presents its compliments to the Islamic Solidarity Fund (ISF) with reference the Latter's Note No: OIC/ISF/EX-3/2026/002, dated 1 January 2026, has the honour to communicate the following:

In accordance with Turkish Enforcement and Bankruptcy Law and the judicial opinion by the Court of Cassation of the Republic of Türkiye, foreign pecuniary claims from Bank Asya were converted into Turkish lira and recorded to the Bankrupt's estate, and legal interest was calculated until the date of payment of the principal.

In this regard, it has been determined that the ISF's receivable Suquq worth of 15.000.000,00 Dollars is equivalent to 45.859.500,00 Turkish Liras according to the exchange rate as of 22 July 2016, and with legal interest up until current date is added to this amount, the total receivable amount is approximately 90.000.000,00 Turkish Liras. It is anticipated that obligations of Bank Asya under the Suquq transaction may begin to be paid as of March 2026.

The Permanent Mission of the Republic of Türkiye to the OIC avails itself of this opportunity to renew to the ISF the assurances of its highest consideration.

Jeddah, 1 January 2026



Islamic Solidarity Fund  
Jeddah

## **A detailed report regarding the investment in Asya Katılım Sukuk**

- The Bank Asya Sukuk (Tier-2 sukuk ASYAKA) was issued on 28 March 2013, with a maturity date of 28 March 2023. The Islamic Development Bank (on behalf of the Islamic Solidarity Fund of the OIC) participated with an investment of **US\$ 10 million**.
- Upon the announcement of the license revocation of the Asya Bank by the Turkish authorities for non-business/commercial reasons, the management of IsDB has exerted all possible ways and means to get the full of its investment in the Sukuk, including direct communications with the relevant ministers of Turkey and suggested to them several options to settle the matter and recuperate the amounts invested in the Asya Katılım Sukuk.
- Meanwhile, Asya Katılım Bank was declared bankrupt in November 2017 by the Government of the Republic of Turkey.
- In January 2018, a local law firm in Istanbul by the name of Paksoy Ortak Avukat Buroso (“Paksoy”) was appointed by IsDB - one of the biggest specialized firms in the Republic of Turkey - to represent IsDB in connection with litigation services concerning Bank Asya Tier 2 sukuk. IsDB’s receivable registration claim was filed by Paksoy before the Bankruptcy Administration on 17 May 2018. However, the Bankruptcy Administration rejected IsDB's application, and stated in its reasoning that the alleged receivables is just a subordinated loan.
- On 3 December 2020, the IsDB's Legal Dept filed the challenge before the Istanbul Third Administrative Court. Subsequently, the Turkish Court of Jurisdictional Disputes rendered a judgment specific to the Bank Asya case and decided that the bankruptcy receivables claims of Bank Asya should be heard by the civil courts.
- Paksoy then filed the case on 8 February 2021 before the civil court, i.e. Istanbul 1st Commercial Court. The preliminary hearing before Istanbul 1<sup>st</sup> Commercial Court was held on 30 September 2021.
- In May 2023, IsDB was informed that the case is still awaiting a hearing date. We were also informed that appellate review usually takes about 18 months to complete the examination. Thus, we are still waiting for a hearing date to be set, and since the case is still in its early stages, we cannot make an accurate prediction about the possible decision of the court.
- Please note that after the bankruptcy of Asya Katılım Bank, all its liabilities were transferred to the Savings Deposit Insurance Fund (SDIF). According to the Turkish Bankruptcy Law, the SDIF is required to pay claims (whatever its basic currency) in Turkish Lira, according to the exchange rate as of the date of the license revocation.

- The bank's lawyers are also following up regularly with court clerks, who have informed us that the outcome of the appeal is expected to take at least another year due to the workload of the regional Court of Appeal.
- **In the latest developments**, the external legal adviser, Paksoy Law Firm, has informed us that claims by other Sukuk holders are still pending before the Regional Court of Appeal, similarly to the claim submitted by IsDB. The Legal Department is closely monitoring the case on a regular basis with the court clerks, who have indicated that adjudication of the appeal may take at least one to two years, due to the Regional Court's heavy caseload. A verdict is expected sometime in 2026, noting that no hearings are held currently at the level of the Regional Court of Appeal.
- As part of the efforts of IsDB senior management, the President of IsDB met with the Minister of Finance of the Republic of Türkiye on the sidelines of the World Bank and IMF annual meetings held in Washington in October 2025. His Excellency emphasized the importance of reaching an amicable settlement of Bank Asya case, based on the strong relationships between the Republic of Türkiye with both IsDB and the OIC, in a manner that would contribute to supporting the Turkish economy and enhancing IsDB's participation in various development projects in Türkiye.
- In light of these developments, IsDB's Management considers it necessary to await the outcome of the efforts currently being undertaken by the relevant authorities in the Republic of Türkiye before dispatching the proposed letter to H.E the President of the Republic of Türkiye, so as to apprise him of all ongoing efforts aimed at addressing this matter.

**Director of Treasury Department**

**Mr. Mohammad Sharaf**