

Albaraka Türk to Pioneer Service Banking!

The Banking Regulation and Supervision Agency has officially released the regulation on Service Model Banking. The regulation, representing an essential step forward in Turkey's banking and entrepreneurship sector, brings along many opportunities for both fintechs and banks. As the pioneer of participation banking, Albaraka Türk aims to become the forerunner of service banking within the scope of the regulation.

In early 2022, the Banking Regulation and Supervision Agency officially released the regulation on Service Model Banking. This regulation, governing the principles and conditions regarding the service banking business model in which banks share their in-house services with third parties through open banking services, holds great opportunities for both fintechs and banks.

Both in practice and in execution, digitalization has been on the agenda of the wider financial sector in recent years, and the regulatory authorities have been charting a very exciting direction for the sector through the regulations issued in this area.

We believe we will act as pioneers in the industry

Commenting on the service model banking directive, **Mustafa Çetin, Deputy General Manager of Albaraka Türk**, said, " Looking at what this new service model, which summarizes the striking point that digitalization has reached, will bring to the parties; First of all, the fact that financial services can be provided by fintechs rather than banks is a tremendous innovation for them. We can call it a shortcut to establishing a bank, or in other words, a shortcut to turn the venture into a bank. It implies new players coming into the sector and deepening competition. More competition will naturally always translate into a win for the end customer, allowing better quality products at more cost-effective prices. From the perspective of the banking sector, offering this service for a certain fee will bring benefits in many aspects such as a significant increase in the number of customers by meeting interface developers who already have millions of customers, significant increases in transaction-based service revenues, current account efficiency, etc. And the best part of all is that such revenues are provided in the form of more revenue at less cost through a channel that is completely different from the traditional channels.

As Albaraka Türk, we have transferred the experience gained from Insha, Albaraka Türk's application operating in Service Banking in Germany since 2018, to Turkey and we have actually transferred our knowledge, know-how and experience here in the field of open banking in the sector for the last 3 years. In this field, as a bank with personal experience in the Service Banking business model, we are confident that we will operate as a pioneer in the sector in this field."

We will continue supporting fintechs

Reporting that the API platform will be at the forefront in the field of Service Banking, **Mustafa Çetin, Deputy General Manager of Albaraka Türk**, expressed, "Our API platform has come first in the field of developer experience in the reports in which BirAPI, an independent open banking organization located at developer.albarakaturk.com.tr, has evaluated the platforms of banks in the sector for the last 2 years. We believe we will maintain this success in the coming years. We deliver a tremendous experience to developers visiting our API platform. They can develop their own applications and access all documentation at no cost and without any approval process, not even contacting us. Let us state that our API platform is one of the most ready platforms in the sector in the field of Service Banking and we are ready to serve our customers by using these advantages.

We at Albaraka Türk will continue to support entrepreneurs, start-ups and fintechs in the coming period just as we have done so far. Not only do we invest in our entrepreneurs emerging from Albaraka Garage, active within the Bank for years, but we also equip these fintechs with banking capabilities so that they can operate as fintechs in the sector. We have built an ecosystem with the Albaraka API platform, Albaraka Garaj, Albaraka Portfolio, and Insha Ventures, and we will continue to contribute significantly to the sector in this sense."

Operating for the last 5 years and currently cooperating with the players in the sector for years with 104 APIs needed by Fintechs, Albaraka Türk has been collaborating actively with the biggest players in the field of payment and electronic currencies in real life. Albaraka Türk aims to actively support both existing and new players in the future.

Albaraka Türk announced its active negotiations with many companies interested in operating in the sector in terms of Service Banking and plans to disclose the companies they have decided to collaborate with in the sector by submitting applications to the Banking Regulation and Supervision Agency (BRSA) as soon as possible.