Early Warning System

IFC-38428

DCM Seker CB 2

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Quick Facts

Countries	Turkiye
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	U
Voting Date	2016-11-17
Borrower	SEKERBANK TAS
Sectors	Finance
Investment Amount (USD)	$ 60.00 million

Project Description

The project consists of an IFC investment up to US$60 million equivalent to be invested in Turkish Liras in the new issuances of Sekerbank’s Covered Bond Programme with a 5 year tenor. Proceeds of IFC’s proposed investment would provide medium and long-term financing to micro, small, and medium enterprises in Turkey.

People Affected By This Project

1. Improved access to MSME finance including the underserved agricultural sector, which will help improve financial inclusion for the MSMEs. Despite high growth, only 38% of loans to businesses in Turkey are channeled to MSMEs;
2. Creation and preservation of jobs, as experience has shown that MSMEs in Turkey grew faster than the Turkish economy, contributing significantly to employment creation;
3. Supporting investments in frontier regions of Turkey as 75 percent of the funded MSME portfolio is located outside the three major Turkish cities.

Investment Description

- International Finance Corporation (IFC)

Sekerbank was established in 1953 in Turkey by several sugar beet cooperatives to respond to their financial needs. Sekerbank held an initial public offering in 1997 and subsequently implemented a transformation program in 2002 to restructure and improve its operations. Sekerbank services 71 of the 81 provinces in Turkey through a network of 301 branch and employs 3,818 staff.

Sekerbank is a private commercial bank providing universal banking services in Turkey. The shareholders of the bank are the Sekerbank Employee Pension Fund of Employees (35.44%), the Kazakhstan National Welfare Fund, Samruk Kazyna (19.37%), BTA Securities JSC (10.91%) (see note below), public shares listed on the Istanbul stock exchange (34.19%), which include IFC's shareholding of 6.07%, and Sugar Beet Cooperatives (0.09%).

Note: Vakifbank had started execution proceedings in Turkey in order to enforce a judgment against BTA Securities JSC. As part of these proceedings, the relevant Turkish execution office ordered an auction to sell 9.43% of Sekerbank shares held by BTA Securities JSC. Sekerbank participated and won the auction, acquiring its own shares. The reduction of BTA Securities JSC' shareholding by 9.43% is pending final approval.

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/