

 Early Warning System

IFC-39501

DCM-YKB Covered Bond



## Quick Facts

Countries	Turkiye
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	C
Voting Date	2017-06-02
Borrower	YAPI VE KREDI BANKASI ANONIM SIRKETI
Sectors	Finance
Ring Fence	Climate
Investment Type(s)	Loan
Investment Amount (USD)	\$ 150.00 million



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## Project Description

The project (the “Project”) involves supporting Yapi Kredi Bank A.S. (“YKB”, or the “Bank”), through the purchase of an IFC-only issuance of covered bond of up to US\$150 million. The underlying asset pool will be backed by YKB’s existing mortgage portfolio. The proceeds of IFC’s investment would provide YKB long term financing to support the mortgage segment of its lending operations, with some portion to be allocated to ‘green’ mortgages per IFC’s eligibility criteria.

Established in 1944, YKB is the 4th largest private bank in Turkey; operating in retail (individual and SME), private and corporate / commercial banking. As of end-2016, YKB operates all around Turkey through its 936 branches and 19,400+ employees. In addition to universal banking services, Yapi Kredi Group also operates in leasing, factoring and asset management businesses. Yapi Kredi Group also has banking subsidiaries in the Netherlands, Russia, Azerbaijan and Malta.

As of end-2016, YKB posted Total Assets of TRY271 billion, Net Loans of TRY176.5 billion and Net Income of TRY2,932 million on a consolidated basis.

YKB is an existing IFC client.



## Investment Description

- International Finance Corporation (IFC)

Yapi Kredi Bankasi A.S. is owned 81.8% by Koc Financial Services ("KFS"). KFS is a Unicredit (an Italian banking group) and Koc Holding JV (a Turkish conglomerate). Both Unicredit and Koc Group have 40.9% stake at YKB each. The remaining 18.2% is listed on the Istanbul Stock Exchange.

Koc Holding A.S. is the largest industrial conglomerate in Turkey, and that country's only entry on the Fortune Global 500 list. Koc Holding is headquartered in Istanbul, Turkey. As of end-2016, Koc Group had Total Assets of EUR23.7 billion and Net Income of EUR1,036 million. Koc Holding is rated Baa3 (Negative outlook) by Moody's and BBB- (Negative outlook) by S&P.

Unicredit Group, with roots dating back to 1473, is a systemically important financial institution headquartered in Milan, Italy. The Group operates through leading banks in 14 countries and its network in another 18 countries. As of end-2016, Unicredit Group has Total Assets of EUR860 billion and Net Income of EUR18,801 million. Unicredit is rated Baa1 by Moody's, BBB+ by Fitch and BBB- by S&P.

The Project is a proposal to invest up to US\$150 million on IFC's own account in a new tranche under YKB's existing Covered Bond Programme to support YKB's on-lending activities to residential mortgage projects in Turkey.

## Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Yapi ve Kredi Bankasi A.S.](#) (Financial Intermediary)
- [YAPI VE KREDİ BANKASI ANONİM ŞİRKETİ](#) (Financial Intermediary) **is owned by** [Yapi Kredi Bankasi](#) (Parent Company)



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## Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.

## Private Actors Description

Yapi Kredi Bankasi A.S. is owned 81.8% by Koc Financial Services (KFS). KFS is a Unicredit (an Italian banking group) and Koc Holding JV (a Turkish conglomerate). Both Unicredit and Koc Group have 40.9% stake at YKB each. The remaining 18.2% is listed on the Istanbul Stock Exchange.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Akfen Altyapi Danismanlik AS	Parent Company	Energy	owns	Menzelet Kilavuzlu Elektrik	Client	Energy
Akfen Holding AS	Parent Company	Energy	owns	Canakkale & Denizli Wind Farms	Client	Energy
Cengiz Holding AS	Parent Company	Energy	owns	AEDC Privatization	Client	Energy
Cengiz Holding AS	Parent Company	Energy	owns	Bogazici-Akdeniz-Camlibel Electricity Distribution 2	Client	Energy
ERG Insaat	Parent Company	Transport	owns	Ankara-Nigde Highway (330km) PPP	Client	Transport
Kazanci Holding	Parent Company	Energy	owns	Kazanci Holding Coruh and Firat Electricity Distribution	Client	Energy
Kolin Insaat Turizm Sanayii Ve Ticaret	Parent Company	Energy	owns	Bogazici-Akdeniz-Camlibel Electricity Distribution 1	Client	Energy
Konya Seker	Parent Company	Energy	owns	Kangal Thermal Power Plant (450MW) Additional Facility	Client	Energy
Limak Insaat Sanayi ve Ticaret	Parent Company	Energy	owns	Cetin and Alkumru HPP	Client	Energy
TAV Airports Holding	Parent Company	Transport	owns	Ankara Esenboga Airport Refinancing	Client	Transport
Turkiye Elektrik Dagitim AS	Parent Company	Energy	owns	Camlibel Elektrik Dagitim AS	Client	Energy
Unit Group	Parent Company	Energy	owns	Gebze Gas Fired IPP	Client	Energy
Unit Investments SA	Parent Company	Energy	owns	Bagistas II HPP	Client	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	AEDC Privatization	Client	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Akfen Altyapi Danismanlik AS	Parent Company	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Akfen Holding AS	Parent Company	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Ankara Esenboga Airport Refinancing	Client	Transport
Yapi Kredi Bankasi	Investor	Finance	invests in	Ankara-Nigde Highway (330km) PPP	Client	Transport
Yapi Kredi Bankasi	Investor	Finance	invests in	Arkas Holding AS	Parent Company	Transport
Yapi Kredi Bankasi	Investor	Finance	invests in	Bagistas II HPP	Client	Energy



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Yapi Kredi Bankasi	Investor	Finance	invests in	Bogazici Elektrik Dagitim AS	Parent Company	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Bogazici-Akdeniz-Camlibel Electricity Distribution 1	Client	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Bogazici-Akdeniz-Camlibel Electricity Distribution 2	Client	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Camlibel Elektrik Dagitim AS	Client	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Canakkale & Denizli Wind Farms	Client	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Canakkale Otoyol	Client	Transport
Yapi Kredi Bankasi	Investor	Finance	invests in	Cengiz Holding AS	Parent Company	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Cetin and Alkumru HPP	Client	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Coban Yildizi	Parent Company	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Dogrudan Elektrik	Parent Company	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Ege Kimya	Parent Company	Industry and Trade
Yapi Kredi Bankasi	Investor	Finance	invests in	ERG Insaat	Parent Company	Transport
Yapi Kredi Bankasi	Investor	Finance	invests in	Gebze Gas Fired IPP	Client	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Kangal Thermal Power Plant (450MW) Additional Facility	Client	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Kazanci Holding	Parent Company	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Kazanci Holding Coruh and Firat Electricity Distribution	Client	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Kolin Insaat Turizm Sanayii Ve Ticaret	Parent Company	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Konya Seker	Parent Company	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Limak Insaat Sanayi ve Ticaret	Parent Company	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Menzelet Kilavuzlu Elektrik	Client	Energy



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Yapi Kredi Bankasi	Investor	Finance	invests in	Seza Insaat	Parent Company	Transport
Yapi Kredi Bankasi	Investor	Finance	invests in	TAV Airports Holding	Parent Company	Transport
Yapi Kredi Bankasi	Investor	Finance	invests in	Turkiye Elektrik Dagitim AS	Parent Company	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Unit Group	Parent Company	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Unit Investments SA	Parent Company	Energy
Yapi Kredi Bankasi	Investor	Finance	invests in	Yapi Merkezi	Parent Company	Transport
Yapi Merkezi	Parent Company	Transport	owns	Canakkale Otoyol	Client	Transport





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## 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](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>