Early Warning System

IFC-45177

RSF Deniz Agri

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Quick Facts

Countries	Turkiye
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2023-04-20
Borrower	DenizBank A.S.
Sectors	Agriculture and Forestry, Finance
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 325.00 million

Project Description

According to the IFC, the project aims to support DenizBank A.S., an existing IFC client, with two facilities for a total IFC risk exposure of up to US$ 325 million: (i) an unfunded Risk Sharing Facility for a US$ 400 million loan portfolio, for which IFC will provide a 50% guarantee with US$ 200 million maximum exposure for IFC; and (ii) US$ 125 million investment by IFC in the form of Diversified Payments Rights medium term notes. The use of proceeds for both facilities is to support the Bank's lending program to qualifying agribusiness farmers and MSMEs whose main business or activity is primary agricultural production and/or agricultural product processing facility (which for the avoidance of doubt excludes food and beverage processing) sector in Türkiye.

Early Warning System Project Analysis

As stated by the IFC, the overall E&S risks and impacts for the Project is medium and, therefore, it has been categorized as FI-2 in accordance with IFC's Sustainability Policy.

Investment Description

- International Finance Corporation (IFC)

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.

- Denizbank (Financial Intermediary)

Private Actors Description

From the IFC's website:

DenizBank is the 5th largest private bank in Türkiye by total consolidated assets as of end of December 2022. The Bank is 100% owned by Emirates NBD following the acquisition from Sberbank in July 2019. Together with its subsidiaries, Deniz Bank AG (Austria) and CJSC Deniz Bank (Russia), DenizBank functions as a fully commercial independent bank with services across the region. DenizBank’s operations in Türkiye are the key driver of the consolidated business with 670 branches in Türkiye (and one offshore branch in Bahrain), accounting for 84% of total assets as of end of December 2022. Deniz Bank AG with 13 branches in Austria and 7 in Germany accounted for 18% of total assets as of end of December 2022 while the Russian subsidiary accounts for less than 1% of total assets. The Bank has a diversified loan portfolio across various sectors. Tourism and agriculture are priority sectors for the Bank and account for the top two sector concentrations comprising 10% and 7% respectively of its performing loan portfolio as of end of December 2022.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Emirates NBD	Parent Company	Finance

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

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