Early Warning System

IFC-48792

TUR-ER ISBANK

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Quick Facts

Countries	Turkiye
Specific Location	Adana,Adiyaman,Diyarbakir,Elazig,Gaziantep,Hatay,Kahramanmaras,Kilis,Malatya,Osmaniye,Sanliurfa
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	C
Voting Date	2023-07-13
Borrower	Turkiye Is Bankasi A.S. (Isbank)
Sectors	Finance, Humanitarian Response, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 60.00 million
Loan Amount (USD)	$ 60.00 million
Project Cost (USD)	$ 149.18 million

Project Description

According to the IFC, the proposed financing package to Isbank consists of (i) IFC A Loans of up to US$60 million on own account (including US$10 million credit insurance); (ii) B1 Loans of up to EUR20 million and US$5 million, respectively, and (iii) parallel loans of up to EUR55 million.

The proposed investment is a part of IFC’s wider earthquake response project (FIG TUR-ER, Project #48230) which entails up to US$600 million to 5 Turkish banks. The tenor of the investment is 367 days in a so called “1+1+1 year” structure - if requested by Isbank, from date of 1st disbursement to be renewed annually for up to two additional extensions upon mutual agreement of IFC and the Bank.

The investment will support Isbank to meet the immediate liquidity needs Farmer/Retail/Micro/Small business loans in the Earthquake Region, and further support the Bank to extend new loans to the aforementioned segments in the Region, thus supporting post-earthquake relief and recovery efforts.

Early Warning System Project Analysis

The IFC categorized the project E&S risk as FI-3.

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.

- Turkiye Is Bankasi Anonim Sirketi (Isbank) (Financial Intermediary)

Private Actors Description

As stated by the IFC, established in 1924, Isbank is the largest private sector bank in Türkiye. More than 90 percent of the assets of Isbank and its consolidated subsidiaries in financial services (Isbank Group) are in Türkiye. As of June 30, 2023, Isbank provides services to approximately 16 million active customers through a network of 1,113 branches, of which 1,091 are domestic branches, and 6,243 ATMs. Isbank has a credit rating of B- with a negative outlook from Fitch Ratings (February 2023) and B3 with a stable outlook from Moody’s Investor Services (August 2022).

Shareholding: As of June 30, 2023, IsBank’s supplementary employee pension fund, its largest shareholder, holds 38.20 percent of the shares. Another 33.71 percent of IsBank’s shares are listed on the Istanbul Stock Exchange (Borsa Istanbul) and traded on the London Stock Exchange and over-the-counter US markets. The remaining 28.09% shares belong to Atatürk and are represented by the Republican People’s Party (CHP) in accordance with Atatürk's will. When Atatürk died, representative rights of his shares were transferred to the CHP, the oldest political party in Türkiye. However, the CHP has no beneficial financial interest in these shares as dividends are assigned to be distributed to two non-profit organizations founded by Ataturk in the early 1930s, the Turkish Historical Society and the Turkish Language Association.

Contact Information

General IFC Inquiries - IFC Communications:

Address: 2121 Pennsylvania Avenue, NW, Washington DC 20433
Telephone: +1 202-473-3800
Fax: +1 202-974-4384

Financial Intermediary - Türkiye Is Bankasi A.S.:

Serhan Sisman - Unit Manager
Phone: +90 212 316 28 24
Email: Serhan.Sisman@isbank.com.tr
Address: Head Office Financial Institutions Division, Is Kuleleri Kule 1, Kat, 25, 34330 Levent, Besiktas, Istanbul, Türkiye
Website: www.isbank.com.tr

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

Other Related Projects

- IFC-48794 TUR-ER AKBANK
- IFC-48802 TUR-ER DENIZ
- IFC-48793 TUR-ER YKB