



Innovative Access to Finance (P147183)

EUROPE AND CENTRAL ASIA | Turkey | Finance & Markets Global Practice |
IBRD/IDA | Investment Project Financing | FY 2015 | Seq No: 6 | ARCHIVED on 30-Jun-2017 | ISR29031 |

Implementing Agencies: Türkiye Sınai Kalkınma Bankası A.Ş. (TSKB), Türkiye Sınai Kalkınma Bankası A.Ş. (TSKB)

Key Dates

Key Project Dates

Bank Approval Date:22-Jul-2014

Effectiveness Date:04-Dec-2014

Planned Mid Term Review Date:15-Mar-2017

Actual Mid-Term Review Date:15-Dec-2016

Original Closing Date:31-Dec-2018

Revised Closing Date:31-Dec-2018

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective (PDO) is to improve access to longer term Islamic finance and to factoring for small and medium enterprises and export oriented enterprises.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

A credit line to TSKB to on-lend/finance intermediation through participation bank and factoring company PFIs to SMEs and EOE.s.:(Cost \$250.00 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory
Overall Risk Rating	● Low	● Low

Implementation Status and Key Decisions

Innovative Access to Finance (IA2F) Project became effective in December 2014. After a slow disbursement period in 2015 disbursement picked up significantly in 2016. TSKB disbursement continues to perform strongly in 2017. With a recent disbursement of US \$ 30 million in June 2017 total



disbursement from World Bank has increased to US \$ 204.4 million. 81 percent of the loan has been disbursed well ahead of the closing date (December 2018). TSKB has already committed full amount of the funds to participation banks and factoring companies in 2016. Final disbursement to SMEs and Export Oriented Enterprises (EOEs) is at US \$ 224 (90 percent of the loan) million which is even higher than disbursement from the World Bank. This is driven by TSKB's prudent approach, whereby drawdown from the World Bank depends on the collection rate of invoices, whereas disbursements to Participating Financial Institutions (PFIs) are made against proforma invoices. This shows that TSKB is bridge financing participation banks until the expenditures are documented. All of the factoring companies have disbursed their allocated portions in 2016. Most of the remaining funds are to be disbursed by Ziraat Participation Bank since Ziraat Participation Bank is the last PFI who signed a subsidiary loan agreement with TSKB in May 2016.

Due to global and domestic uncertainties exchange rate volatility is high and growth expectations are milder which is limiting investment appetite and loan demand. Nevertheless, the pre-approved pipeline appears healthy and TSKB is actively managing PFI demand.

According to latest available data (December 31, 2016) project continues to perform well in terms of achieving project development objectives.

According to the indicators of the maturity performance of Islamic sub-financing and export factoring of factoring sub-financing, the project continues to exceed the targets. Weighted average maturity of Islamic sub-financing under the project is 2.7 times higher than the average maturity under PFIs own portfolio. Share of export factoring is 26.7 times higher compared to the share of export factoring in PFI's own portfolio. In total 194 SMEs and EOEes have been financed under the project. 15 percent priority region disbursement requirement has already been met.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	● Moderate	● Moderate
Macroeconomic	--	● Moderate	● Moderate
Sector Strategies and Policies	--	● Moderate	● Moderate
Technical Design of Project or Program	--	● Low	● Low
Institutional Capacity for Implementation and Sustainability	--	● Low	● Low
Fiduciary	--	● Low	● Low
Environment and Social	--	● Low	● Low
Stakeholders	--	● Low	● Low
Other	--	● Low	● Low
Overall	--	● Low	● Low

Results

Project Development Objective Indicators

- ▶ Ratio of the average maturity of Islamic sub-financing under the project, over the average maturity of the Islamic finance PFIs' portfolio not financed under the project. (Text, Custom)



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	2.70	2.70	>1
Date	01-Aug-2014	01-Dec-2016	23-Jun-2017	31-Jul-2018

► Ratio of export factoring sub-financing in the fact. portfolio financed under the project, over the fact. comp. PFIs' export factoring finance in the factoring portfolio not financed under the project (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	26.60	26.60	>1
Date	01-Aug-2014	01-Dec-2016	23-Jun-2017	31-Jul-2018

► Number of SME beneficiaries financed by PFIs under the project (cumulative). (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	82.00	82.00	300.00
Date	01-Aug-2014	01-Dec-2016	23-Jun-2017	31-Jul-2018

► Number of EOE beneficiaries financed by PFIs under the project (cumulative). (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	112.00	112.00	30.00
Date	01-Aug-2014	01-Dec-2016	23-Jun-2017	31-Jul-2018

Overall Comments

Intermediate Results Indicators



► Number of PFIs under the project (cumulative). (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	7.00	7.00	6.00
Date	01-Aug-2014	01-Dec-2016	23-Jun-2017	31-Jul-2018

► Volume of Bank support (cumulative, US\$ million). (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	147.90	204.40	250.00
Date	01-Aug-2014	01-Dec-2016	23-Jun-2017	31-Jul-2018

► Based on Core Indicator: Volume of Bank Support: Lines of Credit - SME (cumulative, US\$ million). (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	54.10	54.10	150.00
Date	01-Aug-2014	01-Dec-2016	23-Jun-2017	31-Jul-2018

► Outstanding export finance portfolio (US\$ million). (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	n/a	1,430	1,430	n/a
Date	01-Aug-2014	01-Dec-2016	23-Jun-2017	31-Jul-2018



► Based on Core Indicator: Outstanding SME finance portfolio (US\$ million). (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	n/a	11,803	11,803	n/a
Date	01-Aug-2014	01-Dec-2016	23-Jun-2017	31-Jul-2018

► Number of active export finance accounts (not cumulative). (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	n/a	488.00	488.00	n/a
Date	01-Aug-2014	01-Dec-2016	23-Jun-2017	31-Jul-2018

► Based on Core Indicator: Number of active SME finance accounts (not cumulative). (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	n/a	96,432	96,432	n/a
Date	01-Aug-2014	01-Dec-2016	23-Jun-2017	31-Jul-2018

► Based on Core Indicator: Portfolio Quality: Portfolio at risk (%). (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.40	0.40	0.30	n/a
Date	31-Dec-2013	01-Dec-2016	23-Jun-2017	31-Jul-2018



► Based on Core Indicator: Financial Sustainability: Return on Assets (%) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2.80	2.30	2.30	n/a
Date	31-Dec-2013	01-Dec-2016	23-Jun-2017	31-Jul-2018

► Based on Core Indicator: Financial Sustainability: Return on Equity (%) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	17.90	18.90	19.10	n/a
Date	31-Dec-2013	01-Dec-2016	23-Jun-2017	31-Jul-2018

► Percent of SME sub-finance financing SME Sub-projects in priority regions. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	15.00	15.00	15.00
Date	01-Aug-2014	01-Dec-2016	23-Jun-2017	31-Jul-2018

► Compliance with prudential regulation. (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Y	Y	Y	Y
Date	01-Aug-2014	01-Dec-2016	23-Jun-2017	31-Jul-2018

Overall Comments



Data on Financial Performance

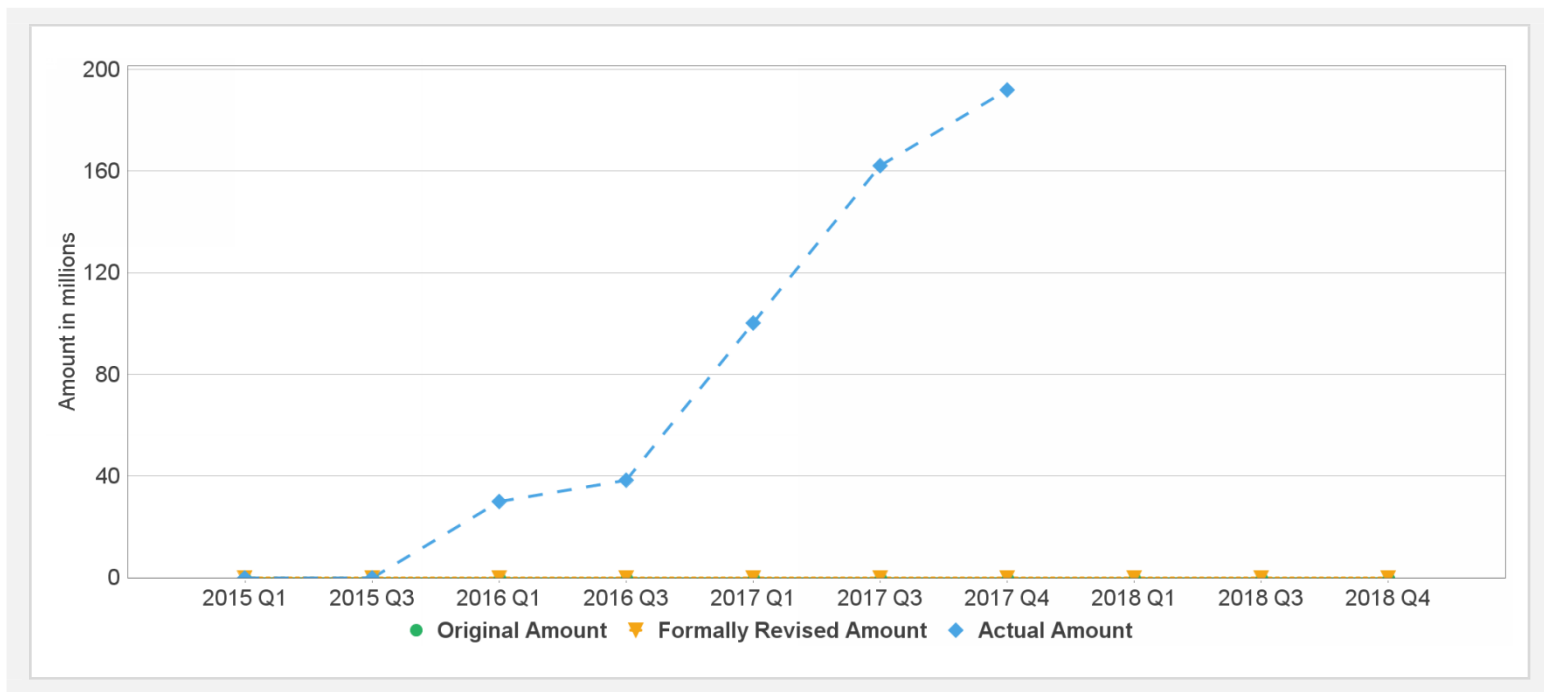
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P147183	IBRD-84090	Effective	USD	250.00	250.00	0.00	192.58	45.62	77%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P147183	IBRD-84090	Effective	22-Jul-2014	22-Aug-2014	04-Dec-2014	31-Dec-2018	31-Dec-2018

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)



There are no related projects.
