



MicroSmall&Medium Enterprise and Large Enterprise Supply Chain Finance (P157691)

EUROPE AND CENTRAL ASIA | Turkey | Finance & Markets Global Practice |
IBRD/IDA | Investment Project Financing | FY 2016 | Seq No: 2 | ARCHIVED on 18-Oct-2016 | ISR25375 |

Implementing Agencies: Türkiye Halk Bankası A.Ş. (Halkbank), Türkiye Halk Bankası A.Ş. (Halkbank)

Key Dates

Key Project Dates

Bank Approval Date:22-Dec-2015

Effectiveness Date:21-Jan-2016

Planned Mid Term Review Date:--

Actual Mid-Term Review Date:--

Original Closing Date:01-Jul-2019

Revised Closing Date:01-Jul-2019

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective (PDO) is to improve access to finance for micro, small and medium enterprises, and longer term finance to large enterprises involved in domestic supply chains.

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

No

Components

Name

The establishment and operation of a credit facility for the provision of Sub-loans to MSMEs and LEs to finance the carrying out of Sub-projects.:(Cost \$200.00 M)

Overall Ratings

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

Implementation Status and Key Decisions



The project was Board approved on December 22, 2015, signed on December 28, 2015, and became effective on January 25, 2016. The first tranche disbursement was on February 16, 2016. IBRD to Halkbank disbursement stands at 20 percent. Halkbank disbursements to sub-borrowers stand at 2.38 percent as of 30 September, 2016. The low disbursement reflects partially financial conditions in Turkey, but can be improved by further attention to internal Halkbank marketing. Expectations are for a pick up in the next 3 months. It is too early in project implementation to draw conclusion from the PDO indicators, although the MSME maturity ratio stands at a positive 1.5.

Risks

Systematic Operations Risk-rating Tool

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

Results

Project Development Objective Indicators

► Ratio of the average portfolio maturity of MSME sub-loans under the project, over the average portfolio maturity of Halkbank's MSME portfolio not financed under the project. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1	--	1.5	>1
Date	25-Jan-2016	--	30-Sep-2016	25-Jan-2019



► Ratio of the average portfolio maturity of LE sub-loans under the project, over the average portfolio maturity of Halkbank's LE portfolio not financed under the project. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1	--	n.a.	>1
Date	25-Jan-2016	--	30-Sep-2016	25-Jan-2019

► Number of MSME beneficiaries financed under the project (cumulative). (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	15.00	240.00
Date	25-Jan-2016	--	30-Sep-2016	25-Jan-2019

► Number of LE beneficiaries financed under the project (cumulative). (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0	--	0	20
Date	25-Jan-2016	--	30-Sep-2016	25-Jan-2019

► Volume of support (cumulative, USD million). (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	40.00	200.00
Date	25-Jan-2016	--	30-Sep-2016	25-Jan-2019

Overall Comments

Intermediate Results Indicators



► Volume of support to MSMEs (cumulative, USD million). (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	4.80	120.00
Date	25-Jan-2016	--	30-Sep-2016	25-Jan-2019

► Based on Core Indicator: Outstanding MSME finance portfolio (USD million). (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	n/a	--	22,800	n/a
Date	25-Jan-2016	--	30-Sep-2016	25-Jan-2019

Comments
4.8

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	n/a	--	925,079	n/a
Date	25-Jan-2016	--	30-Sep-2016	25-Jan-2019

Comments
15

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3.6	--	3.1	n/a
Date	25-Jan-2016	--	30-Sep-2016	25-Jan-2019

Comments
0



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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.5	--	1.6	n/a
Date	25-Jan-2016	--	30-Sep-2016	25-Jan-2019

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	14.4	--	15.6	n/a
Date	25-Jan-2016	--	30-Sep-2016	25-Jan-2019

► Percent of MSME sub-loans financing sub-projects in priority regions. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.24	15.00
Date	25-Jan-2016	--	30-Sep-2016	25-Jan-2019



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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Y	--	Y	Y
Date	25-Jan-2016	--	30-Sep-2016	25-Jan-2019


► Citizen Engagement: MSMEs and LEs that feel project sub-loans reflected their needs (percentage) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	n.a.	n/a
Date	25-Jan-2016	--	30-Sep-2016	25-Jan-2019

Overall Comments

Data on Financial Performance

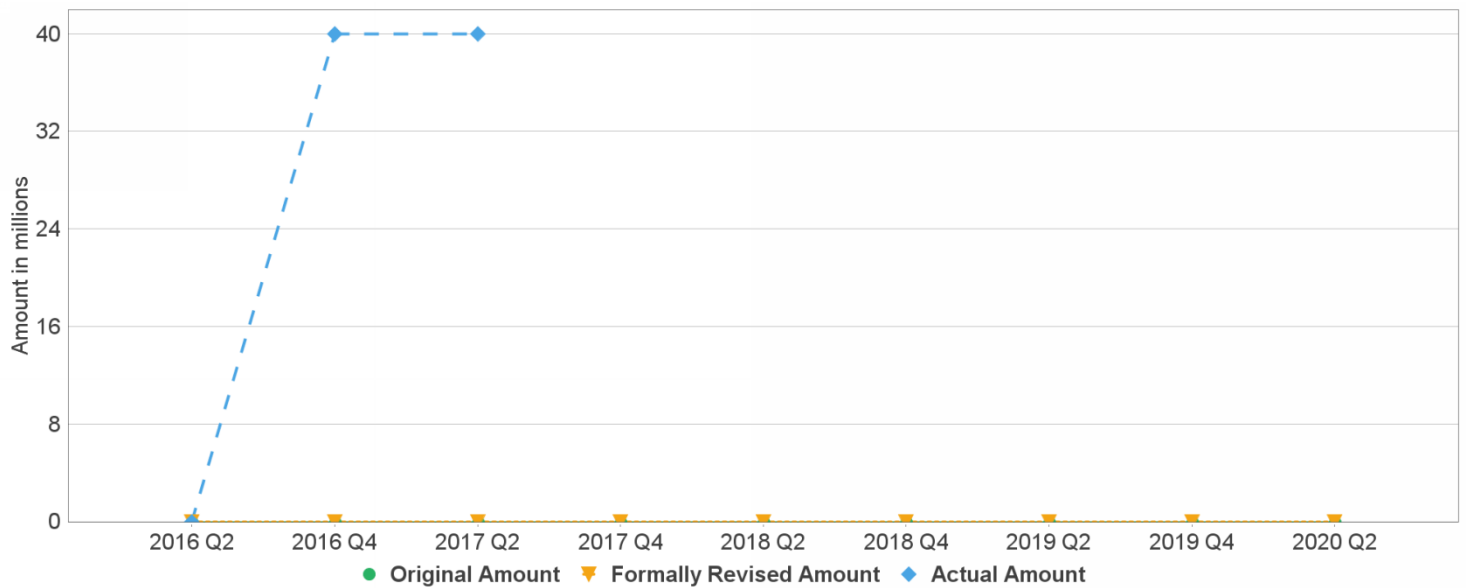
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P157691	IBRD-85690	Effective	USD	200.00	200.00	0.00	40.00	160.00	 20%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P157691	IBRD-85690	Effective	22-Dec-2015	28-Dec-2015	21-Jan-2016	01-Jul-2019	01-Jul-2019

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.