

## SBF Project Implementation Monitoring Report

### Turkey: Turkey COVID-19 Credit Line Project

#### 1. Project Information

Project ID:	000381	Investment Number:	L0381A, L0381B
Member:	Turkey	Region:	Western asia
Sector:	Finance/Liquidity	Sub-sector:	Finance/Liquidity - NA
AIB Financing Type:	Loan: 500 USD million	Co-financier(s):	NA
E&S category:	FI	Borrower:	(i) Türkiye Sınai Kalkınma Bankası ("TSKB") and (ii) Türkiye Kalkınma ve Yatırım Bankası ("TKYB")
Red Flags Assigned:	0	Monitoring Regime:	Regular Monitoring
Implementing Agency:	(i) Türkiye Sınai Kalkınma Bankası ("TSKB") and (ii) Türkiye Kalkınma ve Yatırım Bankası ("TKYB")		
Project Team Leader:	Stefen Shin		
Project Team Members:	Henri de Branche, Senior Environmental Specialist Liu Yang, Counsel; Francisco-José Fortuny Carod Monisha Hermans, Senior Secretariat Officer Shonell Robinson, Financial Management Specialist Xiaowei Guo, Procurement Specialist; Changyu Sun Yunlong Liu, Procurement Specialist		
Completed Site Visits by AIB:	None		
Planned Site Visits by AIB:	The project team plans to conduct a site visit in 2021 should travel restriction get lifted. The project team will consider alternatives if the pandemic continues and site visits are not applicable.		

#### 2. Project Summary and Objectives

Turkey COVID-19 Credit Line Project is the 1st CRF project to support companies as a general credit line. It provides sovereign-backed short-term credit lines to two of Turkey's development banks, Türkiye Sınai Kalkınma Bankası (TSKB) and Türkiye Kalkınma ve Yatırım Bankası (TKYB) to alleviate liquidity constraints faced by infrastructure-related companies, mid-caps and small-medium enterprises (SMEs).

The Project has three components: (a) direct on-lending to new/existing TKYB clients; (b) APEX lending to sub-borrowers through TKYB's partner financial intermediaries (PFIs) like banks, leasing and factoring companies; and (c) direct on-lending to new/existing TSKB clients.

The facility will be on-lent in the form of sub-loans to provide liquidity, and it will not support capex financing. Eligible sub-borrowers are private entities operating primarily in Turkey, focusing on sectors that are aligned with AIB's strategy - transport, energy, water, sustainable cities, healthcare, information and communications technologies (ICT), as well as eligible OPS.

#### 3. Key Dates

Approval:	Jun. 30, 2020	Signing:	Jul. 30, 2020
Effective:	Nov. 25, 2020	Restructured (if any):	
Orig. Closing:	Dec. 18, 2021	Rev. Closing (if any):	

#### 4. Disbursement Summary (USD million)

a) Committed:	500	b) Cancellation (if any):	
c) Disbursed:	145.25	d) Most recent disbursement: (amount / date)	144, Dec. 28, 2020
e) Undisbursed:	354.75	f) Disbursement Ratio(%) <sup>1</sup> :	29.1

<sup>1</sup> Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e.,  $f = c / (a - b)$

#### 5. Project Implementation Update

## TSKB Loan (L0381B):

- TSKB loan became effective on November 25, 2020.
- 1st disbursement (USD 44 million) was made on December 28, 2020.

## TKYB Loan (L0381A):

- TSKB loan became effective on December 10, 2020.
- 1st disbursement (USD 100 million) was made on December 28, 2020.
- As of year end 2020, TKYB has complied with corporate development milestones set in the Loan Agreement.

Components	Physical Progress	Environmental & Social Compliance	Procurement
1. Direct lending to TKYB clients	1st Disbursement (USD 100 million) has been made through advance method	The borrower has established an ESMS and E&S processes in accordance with the requirements stated in the OM	In Compliance
2. Apex lending to TKYB clients	No disbursement has been made yet	N/A	N/A
3. Direct lending to TSKB clients	1st Disbursement (USD 44 million) has been made through advance method and reimbursement method	The borrower has established an ESMS and E&S processes in accordance with the requirements stated in the OM	In Compliance

## Financial Management:

No significant Financial Management related matters have been noted up to December 31, 2020.

Both TSKB and TKYB are on track to deliver their 2020 annual reports. TSKB's BRSA 2020 financial report is already published on its website (<https://www.tskb.com.tr/en/investor-relations/financial-information>).

## 6. Status of the Grievance Redress Mechanism (GRM)

Both banks have established an External Communication Mechanism, allowing them to receive and address grievances relevant to their E&S policy and processes, and the impacts of the activities they finance. Both banks have assigned responsibilities to follow up, assess and respond to the issues in established processes.

No grievance has been received to date.

GRM can be found on TSKB / TKYB's websites.

TSKB: <http://www.tskb.com.tr/en/about-us/tskb-contact-form>

TKYB: <https://kalkinma.com.tr/en/contact-us/contact-information>

## 7. Results Monitoring

The Project is at early stage of implementation with its 1st and only disbursement made on December 28, 2020. Applicable project objective indicators are summarised below.

Baseline Year: Dec. 31, 2021 End Target Year: Dec. 31, 2022

Project Objective Indicators	Year	Target	Actual	Others, if any
Amount of financing	Dec. 31, 2020	0	USD 145.25 million	
Number of sub-borrowers (direct lending)	Dec. 31, 2020	0	11	
Utilisation rate (direct lending)	Dec. 31, 2020	0%	36%	

Intermediate Result Indicators	Year	Target	Actual	Others, if any
N/A	Dec. 31, 2020	N/A	N/A	N/A

Remarks: N/A