



Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş.

## Corporate Governance Rating

Rating Revision

# İŞ LEASING



İş Kuleleri Kule:1 Kat:6 34330

4. Levent Beşiktaş İstanbul

28 December 2021



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Rating Revision

### İŞ FİNANSAL KİRALAMA A.Ş.

**SAHA**  
Kurumsal Yönetim Notu:

**9.29**

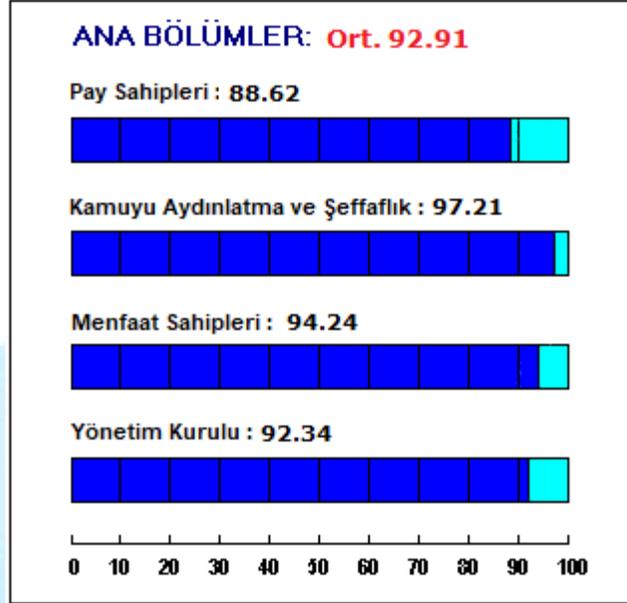


### RATING REVISION

The Corporate Governance Rating of 9.21 that has been assigned to İş Finansal Kiralama A.Ş. on December 28, 2020 is hereby revised as **9.29**. Our rating methodology (page 5) is based on the Capital Markets Board's (CMB) "Corporate Governance Principles".

The Company's corporate governance rating is revised as above in consideration with the importance given by İş Finansal Kiralama A.Ş. to corporate governance principles and its willingness to carry out the compliance process continuously and dynamically.

Furthermore, SAHA publishes (annually) the World Corporate Governance Index (WCGI) which ranks countries in terms of their level of compliance with corporate governance principles as well as their germane institutions, rules, codes, and regulations together with international standards and indices which evaluate countries in a vast array of areas such as transparency, corruption, ease of doing business, etc. Yapı Kredi is analyzed as a Turkish company and Turkey takes place at the top classification of the WCGI which is Group 1. Details of the World Corporate Governance Index (WCGI) published by SAHA on March 10, 2021 can be accessed at <http://www.saharating.com>.



The main factors in this grade increase/decrease are:

- Corporate social responsibility/sustainability reports are available on the company’s website.
- The company’s annual report includes information o the main benefits provided to the personnel, information on the number of personnel, social rights of the employees, vocational training, and corporate social responsibility activities related to other company activities that have social and environmental consequences.
- The company has established policies on environment/nature/energy saving/recycling/education and announced it to the public via its website.
- In accordance with the “Sustainability Compliance Principles Framework” published by the CMB, the relevant reporting is included in the company’s annual report.
- Establishing internal regulations regarding models that support the participation of stakeholders, especially company employees, in company management, in a way that doesn’t disturb company activities.
- Damages caused by the faults of the members of the board of directors during their duties in the company are insured; however, the policy amount doesn’t exceed %25 of the company’s capital. In addition, although this issue was stated in the annual report, no further explanation was made in the Public Disclosure Platform.

<b><i>Sub Sections</i></b>	<b><i>Weight</i></b>	<b><i>Rating</i></b>
<b>Shareholders</b>	<b>25%</b>	<b>88.62</b>
<b>Public Disclosure and Transparency</b>	<b>25%</b>	<b>97.21</b>
<b>Stakeholders</b>	<b>15%</b>	<b>94.24</b>
<b>Board of Directors</b>	<b>35%</b>	<b>92.34</b>
<b>Total</b>		<b>92.91</b>

## Rating Methodology

SAHA's methodology for rating the degree of compliance with the Principles of Corporate Governance is based upon the CMB's Corporate Governance Principles published on January 2014.

The CMB based these principles on the leading work of the Global Corporate Governance Forum (GCGF), which has been established in cooperation with the World Bank and the Organization of Economic Cooperation and Development (OECD). After having incorporated the views and opinions of experts and representatives from the CMB, the Istanbul Stock Exchange, the Turkish Corporate Governance Forum, academicians, private sector representatives as well as various professional organizations and NGOs, the Principles were adopted to reflect the national characteristics and conditions.

Within the Principles, "comply or explain" approach is valid. Some of these Principles are mere recommendations and their implementation thereof is optional. However, the explanation concerning the implementation status of the Principles, if not detailed reasoning thereof, conflicts arising from inadequate implementation of these Principles, and explanation on whether there is a plan for change in the company's governance practices in the future should all be included in the annual report and disclosed to public.

The Principles consist of four main sections: shareholders, public

disclosure and transparency, stakeholders and board of directors.

On the foundation of these Principles, SAHA Corporate Governance Rating methodology features over 330 code criteria. During the rating process, each criterion is evaluated on the basis of information provided by the company officials and disclosed publicly. Some of these criteria can be evaluated by a simple YES/NO answer; others require more detailed analysis and examination.

SAHA assigns ratings between 1 (weakest) and 10 (strongest). In order to obtain the maximum rating of 10, a company should be in full and perfect compliance with the Principles (see Rating Definitions).

In compliance with the CMB's directive and to reach an overall Corporate Governance Rating, SAHA allocates the following weights to the four main sections of the Principles:

Shareholders: **25%**  
Disclosure and Transparency: **25%**  
Stakeholders: **15%**  
Board of Directors: **35%**

To determine the final overall rating, SAHA utilizes its proprietary methodology which consists of sub-section weightings and weightings for the criteria there under. A separate rating is assigned to each one of the main sections as well.

## Rating Definitions

Rating	Definition
<b>9 - 10</b>	The company performs <b>very good</b> in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified and actively managed all significant corporate governance risks through comprehensive internal controls and management systems. The company's performance is considered to represent best practice, and it had almost no deficiencies in any of the areas rated. Deserved to be included in the BIST Corporate Governance Index on the highest level.
<b>7 - 8</b>	The company performs <b>good</b> in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified all its material corporate governance risks and is actively managing the majority of them through internal controls and management systems. During the rating process, minor deficiencies were found in one or two of the areas rated. Deserved to be included in the BIST Corporate Governance Index.
<b>6</b>	The company performs <b>fair</b> in terms of Capital Markets Board's corporate governance principles. It has, to varying degrees, identified the majority of its material corporate governance risks and is beginning to actively manage them. Management accountability is considered in accordance with national standards but may be lagging behind international best practice. During the ratings process, minor deficiencies were identified in more than two of the areas rated.
<b>4 - 5</b>	The company performs <b>weakly</b> as a result of poor corporate governance policies and practices. The company has, to varying degrees, identified its minimum obligations but does not demonstrate an effective, integrated system of controls for managing related risks. Assurance mechanisms are weak. The rating has identified significant deficiencies in a number (but not the majority) of areas rated.
<b>&lt;4</b>	The company performs <b>very weakly</b> and its corporate governance policies and practices are overall very poor. The company shows limited awareness of corporate governance risks, and internal controls are almost non-existent. Significant deficiencies are apparent in the majority of areas rated and have led to significant material loss and investor concern.

#### DISCLAIMER

This Corporate Governance Rating Revision has been prepared by Saha Kurumsal Yönetim ve Kredi Derecelendirme A.Ş. (SAHA Corporate Governance and Credit Rating Services, Inc.) based on information made available by İş Finansal Kiralama A.Ş. and according to the Corporate Governance Principles by the Turkish Capital Markets Board as amended on 2014.

This revision, conducted by SAHA A.Ş. analysts and based on their best intentions, knowledge base and experience, is the product of an in-depth study of the available information which is believed to be correct as of this date. It is a final opinion about the degree of sensitivity of a company to its shareholders' and stakeholders' rights, its commitment to public disclosure and transparency, and conduct and credibility of its board of directors.

The contents of this revision and the final corporate governance rating should be interpreted neither as an offer, solicitation or advice to buy, sell or hold securities of any companies referred to in this report nor as a judgment about the suitability of that security to the conditions and preferences of investors. SAHA A.Ş. makes no warranty, regarding the accuracy, completeness, or usefulness of this information and assumes no liability with respect to the consequences of relying on this information for investment or other purposes.

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