

CORPORATE GOVERNANCE RATING REPORT CREDITWEST FAKTORİNG A.Ş.

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LEAD ANALYST: TOLGA KARACA

+90 212 232 8450 tolga.karaca@drccrating.com

CORE BUSINESS:

FACTORING

NEW:

☒

UPDATE:

☐

COMPANY PROFILE

CREDITWEST FAKTORİNG A.Ş.

Büyükdere Caddesi No: 108 Enka Binası Kat: 1 Esentepe Şişli / İstanbul

Tel: +90 212 356 19 10

www.creditwest.com.tr

yatirimciiliskileri@creditwest.com.tr

CHAIRMAN: Nusret ALTINBAŞ

GENERAL MANAGER: Dilber BIÇAKÇI

INVESTOR RELATIONS: Selin DURMAZ

INVESTOR CONTACT #: +90 212 356 19 10

Creditwest Faktoring (First title Toprak Faktoring A.Ş.) was established in Turkey on May 9, 1994 and started its operations in March 1995. The process, which started with the transfer of the previous main partner Toprakbank and its subsidiaries to the Savings Deposit Insurance Fund (SDIF), continued with the acquisition of the company by the main partner Altınbaş Holding from the SDIF in 2003. Company title was changed as Creditwest Faktoring A.Ş. (hereafter Creditwest Faktoing or the Company) on July 11, 2012. Within the framework of Altınbaş Holding's steps towards institutionalization, Creditwest Faktoring, which was one of the first companies to obtain an operating license in 2008 after factoring companies were subject to BRSA regulations, is one of the 3 factoring companies traded in Borsa İstanbul (BIST). The headquarters of the company is in İstanbul, and apart from the İstanbul / Ataşehir branch, which was closed on January 25, 2020, it has a total of 42 employees in 2 branches and headquarters in Ankara and Kocaeli provinces as of December 31, 2020.

1% of the partnership shares representing the capital of Creditwest Faktoring, which is fully paid and total amount of 80 million TL, consists of Group A preferred shares and 49% consists of Group B ordinary shares, most of which are traded in BIST. The parent company Altınbaş Holding, which owns 85% of the partnership shares as of December 31, 2019, sold 3.5% on February 18, 2020, 6.5% on June 17, 2020 and 23.75% during September 10-23, 2020 by BIST. Altınbaş Holding's share in Creditwest Faktoring partnership shares has decreased to 51.25% as of 31 December 2020.

At the end of 2020, while Creditwest Faktoring assets decreased to 400.6 million TL, net factoring receivables to 312.8 million TL, bank borrowings to 183.4 million TL and net profit to 15.3 million TL, on the other hand its equity increased to 169.6 million ₺. As of the end of 2020, the Company's non-performing loans ratio was 8.6% and its market share was 0.7%.

OVERALL RATING

8.86 *

NR

Summary Commentary

SHAREHOLDERS

8.51

NR

The efficiency of the Investor Relations Department, which was established to protect and enable shareholders' rights, complies strongly with Turkish standards.

PUBLIC DISCLOSURE AND TRANSPARENCY

9.00

NR

The partnership and senior management structure, the final version of the articles of association, material event disclosures, financial reports, annual reports, general assembly meeting information, dividend policy and ethical values have been released on the Company website.

STAKEHOLDERS

8.69

NR

Stakeholders' rights are protected by legislation, contract and elaborate policies.

BOARD OF DIRECTORS

9.10

NR

The Board of Directors manages the Company by combining the annual budgets with the balance of risk, growth and return at an optimum level.

*Previous ratings are at the right bottom of the cells. NR: Not rated by DRC RATING.



Grades for compliance with corporate governance principles reflects our view; two of seven members in the board of directors are female, the damage caused by the defects of the members of the board of directors during their duties are insured for an amount exceeding 25% of the company's paid-in capital, within the framework of the importance given to corporate governance, corporate governance rating report has been received every year since 2013, the existence of privileged partnership shares, for foreign investors, the financial statements, audit reports and material disclosures are not released on the website in English.

Shareholders

Creditwest Faktoring Shareholders Structure (March 31, 2021)

	Partnership Share (₺)	Group	%
Altınbaş Holding A.Ş.	40,800,000	A	51.00
Altınbaş Holding A.Ş.	199,839	B	0.25
Public	39,000,161	B	48.75
Total	80,000,000		100.00

The efficiency of the Investor Relations Department, which was established to protect and enable shareholders' rights, is in the Turkish standards and its job descriptions and functions have been written in accordance with laws, communiques and principles. One more of the half of the members of the board of directors is selected from among the candidates nominated

by the owners of the privileged Group A partnership shares corresponding to 51% of the paid-in capital. Statements made on the Public Disclosure Platform (PDP) and the website are on time and of sufficient quality and quantity to meet the needs of the shareholders. Announcements containing information and explanations that may affect the use of shareholders rights were made before general assembly meeting, which was postponed to May 24, 2021.

Public Disclosure and Transparency

Trade registry information, partnership and management structure, the final version of the articles of association, material event disclosures, financial tables, annual reports, share/bond issue documents, general assembly meeting information, proxy voting form, profit distribution policy and ethical rules are released at the company's website. However, for the benefit of international investors, financial statements, audit footnotes and material event disclosures are not released in English at the website.

Stakeholders

Ethical Values Policy has been created for the stakeholders to convey to the corporate governance committee the possible transactions of the Company that are against the legislation and unethical, and the Investor Relations Department plays an active role in communication. Employees' rights are protected with the employment contracts created in line with the Turkish standards. Performance evaluations are held every year to determine wages and other benefits provided to employees. Within the scope of the measures taken due to the epidemic, the emergency plans for customer and public health were checked, information security infrastructure and equipment controls were made to improve remote working conditions, and new equipment needed was provided.

Board of Directors

Striving to carry out its activities in a transparent, accountable, fair and responsible manner, the board of directors carries out the distribution of duties among themselves in accordance with the articles of association and legislation. The Board of Directors reviews the effectiveness of the risk management and internal control system every three months. The only executive member among the members of the board of directors is the general manager, the authority of the chairman of the board of directors and the general manager is clearly separated and the absence of a board member or senior manager who has the sole decision-making authority in the Company has been evaluated positively in terms of global corporate governance practices. The loss to be caused by the defects of the members of the board of directors during their duties in the company has been insured for an amount exceeding 25% of the company's capital. Senior management team consists of managers who have worked in the Company for more than 10 years and have an average of 20 years of experience in the banking and finance sector.



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