## 2024 HIGHLIGHTS



PASHA BANK TAKES FIRM STEPS FORWARD ON ITS SUSTAINABILITY JOURNEY WITH THE SUPPORT OF ITS MAJORITY SHAREHOLDER.



# We have established our sustainability vision, mission, and strategy.

In 2024, PASHA Bank established its sustainability vision and mission:

- Sustainability vision: As an innovative and pioneering bank in financial services, we create long-term value by integrating sustainability into all our operations
- Sustainability mission: To minimize our environmental impacts by using our resources efficiently, to support social development, and to contribute to our customers' sustainability goals through our financial solutions

PASHA Bank aims to build a sustainable future by operating with a commitment to ethical values, transparency, responsibility, and a long-term perspective, guided by the short- and long-term strategies it has established in this direction,

In 2024, the Bank's majority shareholder PASHA Holding, was among the leading organizations at the United Nations Climate Change Conference (COP29) held in Baku, the capital of Azerbaijan.

PASHA Bank is progressing with sure steps in its sustainability journey with the support of its majority shareholder.



## We have been awarded the Green Office Diploma for the second time.

In collaboration with WWF Türkiye, PASHA Bank has been awarded the "Green Office" diploma by the World Wide Fund for Nature (WWF) for the second time. The Green Office (Next Generation Sustainable Transformation) Program, initiated by the Bank with the motto #Birliktemümkün, included initiatives aimed at raising awareness and minimizing electricity consumption as its commitment titles for 2024. A survey conducted within the Bank revealed that an 11% enhancement in awareness and consciousness was achieved. In 2024, a 5% reduction in electricity consumption was accomplished, thereby enabling PASHA Bank to fulfill its commitments for 2024.

PASHA Bank will continue its efforts to reduce its ecological footprint as a reflection of the significance and sensitivity it attaches to the environment.

In the Green Office Program, the Bank enhanced the initiative with "Sustainability 101" and "Water Footprint" training sessions and events such as the "Don't Waste, Donate!" electronic waste collection campaign in collaboration with TEGV and World Sweater Day activities.

The Bank's internal communication platform, "Portal", features a Green Office page where employees can quickly access related training and information.



PASHA Bank has established a digital platform that enables qualified investors, who are not its customers, to engage in the issuances. ABS issuances, a structured capital market instrument for customers operating in the agriculture, chemical, automotive, and retail sectors who possess a quality asset pool but lack access to financing under favorable terms through such transactions, were made accessible to qualified investors through the digital channel established on PASHA Bank's website on 1 March 2024. Furthermore, digital channels have enabled individuals to participate in their own bond issuances.

The digital channel enables customers to participate in the issuances they desire without the need to waste time with account opening, signature, or other procedures.

By integrating innovations into the financial sector in line with the significance of the digital era, PASHA Bank has become the first and sole institution in Türkiye to conduct online demand collection for bond and ABS issuances.

## PASHA Bank has maintained its momentum in issuing Asset-Backed Securities (ABS).

PASHA Bank, which serves as a "financial bridge" in Türkiye, Azerbaijan, and Georgia triangle, has been the pioneer of Asset-Backed Securities (ABS) issuance, an alternative investment instrument, in Türkiye since 2020. Over the past 4 years, PASHA Bank has carried out 39 issuances for sectors such as agriculture, chemicals, automotive, and retail, providing a total of TL 4,593 million in funding, signaling its commitment to increasingly support the real sector each year.

#### SAHA Rating has increased PASHA Bank's corporate governance compliance score to 9.41.

SAHA Corporate Governance and Credit Rating Services Inc. (SAHA Rating) revised PASHA Bank's compliance score with the CMB Corporate Governance Principles upwards, setting it at 9.41 in its corporate governance rating report dated 28 August 2024. The Bank's 2024 Corporate Governance Principles Compliance Rating score, based on evaluations under four weighted main categories (Shareholders, Public Disclosure and Transparency, Stakeholders, Board of Directors), has risen from 9.39 to 9.41, with the maximum score being 10.



### International Bond Issuance from PASHA Bank

PASHA Bank, which supports crossborder investments with its mission of being a financial bridge in the triangle of Türkiye, Azerbaijan, and Georgia, has successfully issued bonds worth USD 25,000,000 in the Azerbaijani securities market.

As the first institution to issue bonds in a foreign currency other than the local currency in the Azerbaijani market, PASHA Bank has achieved a significant milestone. Since 2017, the Bank has completed a total of ten foreign currency bond issuances—nine in USD and one in EUR—surpassing USD 161 million to date.

# the pioneer in asset-backed securities

PASHA BANK CONTINUES TO BE THE PIONEER IN THE ISSUANCE OF ALTERNATIVE INVESTMENT INSTRUMENT ASSET-BACKED SECURITIES IN TURKEY.



A MOBILE-COMPATIBLE WEB PLATFORM HAS BEEN LAUNCHED, ENABLING INVESTMENTS TO BE MADE IN THE DIGITAL ENVIRONMENT.



#### Digitalization and Innovation Initiatives Continued Uninterrupted

PASHA Bank is committed to embedding innovative thinking into its corporate culture. To foster innovation awareness and build essential competencies, the Bank organized "PBT Innovation Program-II" events. As part of this initiative, "Open Microphone" meetings were held, and employees with top-ranked projects were recognized and rewarded.

Digitalization processes have been accelerated in the Bank's business practices and services. In this regard, a mobile-compatible web platform has been launched, enabling investments to be made in the digital environment without the need to be a PASHA Bank customer.

The development of a system designed to automate the creation of spread formats—a critical component of the financial analysis process in credit evaluation—has also commenced.

To make the service provided through digital channels more holistic, initiatives have been launched to develop the "Digital Approval".

The processes for the approval and publication of all documents pertaining to the Bank's internal regulation have been successfully digitalized.



# Steps that combine art and technology: PASHA Bank's support for digital art

Since its establishment, PASHA
Bank has regarded its support for
culture and the arts not only as a
responsibility but also as an integral
part of its corporate identity. In this
regard, the Bank has undertaken
significant projects throughout 2024 by
combining its commitment to the arts
with the rising influence of digital art.

In the first quarter of 2024, PASHA Plaza hosted the exhibition "Dance of Symbols" by Azerbaijan's first artificial intelligence artist SHUSHA, showcasing the artistic depth of Algenerated works for art enthusiasts, while emphasizing the emergence of digital art as a new form of expression.

Additionally, PASHA Bank was the main sponsor of the Istanbul Digital Art Festival, held for the fourth time between the dates 2-5 May at the Atatürk Cultural Center. This year, the festival explored the theme "The Impact of Digital Art and Virtual Worlds on Human Experience", bringing together disciplines such as art, music, and gaming. The event invited local and international art enthusiasts to delve into the depths of the digital world, encouraging them to question and explore within this innovative platform where technology meets art.

PASHA Bank's involvement in these projects not only emphasizes its unwavering commitment to supporting culture and the arts but also exemplifies its mission to contribute sustainable value to society. Looking ahead, the Bank aims to continue supporting pioneering projects that integrate art and technology, fostering both artistic and social impact.

Supporting nature and local values through a commitment to sustainability: Sponsorship of the Ayvalık International Olive Harvest and Tourism Festival.

In line with its sustainability vision, PASHA Bank continued its efforts in 2024 to protect natural resources and support local values. In this context, as a sponsor of the 19<sup>th</sup> Ayvalık International Olive Harvest and Tourism Festival, the Bank contributed to the journey of olives from production to table and to the preservation of the region's cultural heritage.

The events conducted during the festival were designed to raise awareness about the environmental, economic, and cultural significance of olive farming. This event garnered great interest from visitors and played a key role in promoting sustainable agriculture and empowering local producers.

As a reflection of its respect for nature and local values, PASHA Bank takes pride in supporting local initiatives and remains committed to participating in projects that support sustainable development and social benefit in the future.

The intersection of education and technology: Sponsorships for Koç University Economics Club Investment Training and Al Summit Istanbul

In line with its vision to support education and technology, PASHA Bank contributed to significant projects in 2024. As a silver sponsor of the Investment Training 2024 program organized by the Koç University Economics Club, the Bank supported young generations in preparing for the investment world with greater awareness. This program not only provided participants with theoretical knowledge but also equipped them with insights into the dynamics of the financial sector.

Furthermore, by sponsoring the AI Summit Istanbul, which explored the transformative impact of artificial intelligence technologies on the future, PASHA Bank reaffirmed its commitment to digital transformation and innovative technologies. The Summit brought together sector leaders, along with academics and entrepreneurs to discuss AI applications in finance, education, and various other fields. This platform paved the way for new collaborations while enhancing participants' awareness and vision regarding artificial intelligence.

PASHA Bank remains committed to its mission to contribute to the development of individuals and institutions by actively supporting such initiatives that integrate education and technology. The Bank aims to foster a sustainable impact on society by supporting such innovative initiatives in the future.

#### A solid step for equality and leadership: Future Women Leaders Scholarship Fund

Launched by PASHA Bank on the 100th anniversary of our Republic, the "Future Women Leaders" Scholarship Fund continued to grow in 2024 through its ongoing contributions. This fund supports the academic achievements and career aspirations of female university students, encouraging the integration of these young women into society as inspiring leaders.

The scholarship program not only provides financial assistance but also offers mentorship to help students prepare for their professional lives. This mentorship program guides students in their academic, social, and personal development, aligning with the mission of pioneering the development of future women leaders.