

Corporate Governance Rating

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Sector: Investment Banking

PASHA YATIRIM BANKASI A.Ş.

Ratings

Overall Score	9.11	AAA(Trk)/aa (Stable)
Shareholders	9.07	AAA(Trk)/aa (Stable)
Public Disclosure & Transparency	9.19	AAA(Trk)/aa (Stable)
Stakeholders	9.21	AAA(Trk)/aa (Stable)
Board of Directors	9.05	AAA(Trk)/aa (Stable)

Bank Profile

Trade Name	PASHA YATIRIM BANKASI A.Ş.
Address	Pasha Plaza, Sultan Selim Mahallesi, Eski Büyükdere Cad. No:59, 34415 Kağıthane/İstanbul
Chairman	Mr. Jalal GASIMOV
CEO	Mr. H. Cenk EYNEHAN
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Financial Data	2018*	2017*	2016*	2015*	2014*
Total Assets (000,000 USD) ***	257	235	145	111	26
Total Assets (000,000 TRY)	1,350	897	510	322	61
Total Deposit (000,000 TRY)	0	0	0	0	0
Total Net Loans (000,000 TRY)	840	713	404	246	51
Equity (000,000 TRY)	506	261	245	231	47
Net Profit (000,000 TRY)	-4	16	14	9	-2
Asset Size Market Share (%)	0.03	0.03	0.02	0.01	0.00
ROAA (%) **	-0.38	2.94	4.35	5.99	-7.15
ROAE (%) **	-1.12	8.20	7.62	8.28	-9.32
Equity/Assets (%)	37.47	29.06	47.94	71.51	76.71
CAR-Capital Adequacy Ratio (%)	37.85	31.36	53.85	91.75	135.43
Asset Growth Rate (Annual) (%)	50.48	75.73	58.30	427.92	22.00

*End of year, **Based on pre-tax figures, ***Based on year end CBRT parity

Bank Overview

With an operating track record dating back to the establishment of Yatırım Bank A.Ş. in 1987, PASHA Bank provides services largely in the fields of corporate and investment banking through its headquarters with no branches. The Bank remained under the control of different shareholders until 2015, in which the majority shares were acquired by Baku based PASHA Bank OJSC. In May, 2018, PASHA Holding LLC became a shareholder with a rate of 49% whilst the paid-in capital was increased by TRY 245mn to TRY 500mn. The Bank had no other affiliates or subsidiaries as of the report date.

PASHA Bank OJSC and PASHA Holding LLC are qualified shareholders in the Bank with rates of 50.96% and 49% respectively as of end March, 2019. Based on equity, PASHA Bank OJSC represents the largest Bank in Azerbaijan and is among the top 5 banks by assets with 9 business centers across the country. Established in 2006, PASHA Holding LLC is one of the leading non-oil conglomerates in Azerbaijan with diversified investments in the financial sector, construction & development, travel & tourism and private equity. The Group had a total asset size of AZN 6.92bn, equity of AZN 1.40bn and generated employment opportunities for in excess of 2,500 personnel.

The Board of the Bank consists of 9 members, 3 of whom are women with three holding independent status. The Bank has 6 committees under the Board which namely include strategy and budget, human resources and remuneration, credit, corporate governance, risk management and audit.

Strengths

- Presence of a comprehensive and effective risk management and internal control system
- High level of effectiveness in internal audit activities
- Three independent members in the Board of Directors
- Three women in the Board of Directors
- Effective and transparent website in both Turkish and English
- Well-prepared contingency plans against emergent and unexpected circumstances
- Effective Board of Directors comprised of highly qualified, educated and experienced members
- Directors and Officers Liability Insurance Schemes covering the top management

Constraints

- Absence of any clauses in the articles of association that broaden the exercise of minority rights beyond the current legislation for shareholders holding less than 5% of share capital.
- No disclosure of the names of ultimate individual shareholders who have more than 5% share in the Bank's Capital on the website.
- Absence of a labor union organization among the staff
- Non-independent status of committee chairs