



**Corporate Governance
Rating Report**

This Report has been prepared by JCR-ER in compliance with the Corporate Governance Code of Republic of Albania

**Revised Report
Banking**

 BANKA KOMBETARE TREGTARE		83.81 AA(Alb)/bbb (Positive)
Corporate Governance Score & Outlook	Board of Directors	83.44 AA(Alb)/bbb (Positive)
	Auditing, Internal Control, Risk Management	91.00 AAA(Alb)/aa (Stable)
	Remuneration and Performance Evaluation	68.77 A(Alb)/ccc (Positive)
	Public Disclosure and Transparency	78.00 AA(Alb)/bb (Stable)
	Shareholders Relationship	90.00 AAA(Alb)/aa (Stable)

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Company Information	
Trade Name	BANKA KOMBETARE TREGTARE Sh. A.
Address	Bulevardi "Zhan D'Ark", Tirana, Albania
Chairman	Mehmet USTA
CEO	Seyhan PENCABLIGIL
Contact	Phone: +355/4/2250955 info@bkt.com.al
Web	www.bkt.com.al
Corporate Governance	Miranda CITOZI

Banka Kombetare Tregtare SH.A.					
Financial Data	2012*	2011*	2010*	2009*	2008*
Total Assets (EURO mn)	1,772	1,441	1,124	930	828
Total Assets (USD mn)	2,337	1,865	1,503	1,340	1,161
Equity (USD mn)	184	138	119	95	84
Net Profit (USD mn)	31	29	25	13	20
Market Share (%) **	20.51	17.73	15.62	14.43	12.28
ROAA (%)	1.65	1.96	1.97	1.16	1.84
ROAE (%)	21.50	25.65	26.19	16.31	29.33
Equity/Assets (%)	7.89	7.41	7.90	7.06	7.22
CAR - Capital Adequacy Ratio (%)	14.30	12.93	13.06	13.21	17.78
Asset Growth Rate (Annual) (%)	25.35	24.07	12.15	15.39	-3.20

* End of year ** Based on BoA Reporting Standards

Overview

Bank Kombetare Tregtare Sh. A. ('BKT' or 'the Bank'), all shares of which are owned by the Turkish company Çalık Finansal Hizmetler A. Ş. (Çalık), is the second largest retail bank in terms of total asset size in Albania. The Bank was assigned a rating of BB+ on the Foreign Currency scale and AAA on the Local Currency scale along with a Stable outlook by JCR Eurasia Rating on April 5, 2013.

The Bank's origins date back to the first headquarters established in Durres on November 29, 1925. After the merger of the Albanian Commercial Bank and the National Bank of Albania, BKT acquired its current name in January 1993 as a state-owned bank and transformed into a joint stock company in July 1997. All Bank shares were sold by the Ministry of Finance and approved by the Albanian Parliament to an International Consortium consisting of Kentbank (60%), International Finance Corporation (20%) and European Bank for Reconstruction and Development (20%) in 2000. Çalık, which gradually bought all shares of the Bank between 2006 and 2009, currently holds 100% of the shares.

As of October 2013, the Bank carried out its activities through a branch network of 83, including 59 in Albania and 24 in Kosovo. The Bank is managed by a Board of Directors that consists of 3 non-executive members, 1 independent member and the CEO.

Strengths

- Improvement in current internal control system
- Highly trained, internationally experienced and skillful Board members
- Well-defined authorities, responsibilities and working principles of the Board in the internal documentation
- Presence of an independent member in the Board
- Efficient Internal Audit Department with adequate organizational structure
- Sufficient risk management implementations
- Adequate transparency and disclosure on the Bank's web site

Constraints

- Absence of Nomination, Remuneration, Risk and Corporate Governance committees within the scope of the Board
- Non-existence of a female member in the Board
- Lack of a written and disclosed remuneration policy
- No performance evaluation system for the Board members
- Nondisclosure of documents related to the shareholder general meetings