

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		86.03 AAA(Alb)/a (Stable)
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	75.02 AA(Alb)/bb (Positive)
	Public Disclosure and Transparency	86.00 AAA(Alb)/a (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

Strengths

- Adequate transparency and disclosure on the Bank's web site in English and Albanian
- Highly trained, internationally experienced and skillful Board members
- Presence of an independent member in the Board
- Having a comprehensive internal control system and sufficient risk management
- Efficient Internal Audit Department with adequate organizational structure

Constraints

- Absence of Risk and Corporate Governance committees within the scope of the Board
- Non-existence of a female member in the Board
- No performance evaluation system for the Board members
- Nondisclosure of documents related to the shareholder general meetings

Banka Kombetare Tregtare SH.A.					
Financial Data	2014*	2013*	2012*	2011*	2010*
Total Assets (EURO mn)	2,266	1,943	1,772	1,441	1,124
Total Assets (USD mn)	2,753	2,676	2,337	1,865	1,503
Equity (USD mn)	247	215	184	138	119
Loans to Customers (USD mn)	920	886	854	778	551
Customer Deposits (USD mn)	2,141	2,154	1,885	1,581	1,310
Net Profit (USD mn)	44	39	31	29	25
Market Share (%)**	24.33	21.92	20.51	17.73	15.62
ROAA (%)	1.95	1.75	1.65	1.96	1.97
ROAE (%)	22.91	21.96	21.5	25.65	26.19
Equity/Assets (%)	8.96	8.03	7.89	7.41	7.9
Capital Adequacy Ratio (%)	15.61	14.56	14.3	12.93	13.06
Annual Asset Growth Rate (%)	2.87	14.48	25.35	24.07	12.15

*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 largest bank in terms of total asset and deposit size in Albania, as of October 2015. The Bank was assigned a rating of BBB- on the Foreign Currency scale and AAA on the Local Currency scale along with a Stable outlook by JCR Eurasia Rating on June 19 2015.

The Bank's origins date back to the first headquarters established in Durres on November 30, 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 Financial Services, which gradually bought all shares of the Bank between 2006 and 2009, currently holds 100% of the shares.

As of October 30, 2015, the Bank carried out its activities through a branch network of 88, including 63 in Albania and 25 in Kosovo and two custom agencies. The Bank is managed by a Board of Directors that consists of 3 non-executive members, 1 independent member and the CEO.