



Corporate Governance Rating Report

Banking

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

		80.71
BANKA KOMBETARE TREGTARE		AA(Alb)/bbb (Positive)
Corporate Governance Score & Outlook	Board of Directors	80.44 AA(Alb)/bbb (Positive)
	Auditing, Internal Control, Risk Management	87.00 AAA(Alb)/a (Stable)
	Remuneration and Performance Evaluation	68.77 A(Alb)/ccc (Stable)
	Public Disclosure and Transparency	73.00 AA(Alb)/b (Positive)
	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

- Highly trained, internationally experienced and skillful Board members
- Well-defined authorities, responsibilities and working principles of the Board in the internal documentation
- An independent member existing in the Board
- Efficient Internal Audit Department with adequate organizational structure
- Sufficient risk management implementations
- Independent audits performed four times a year
- Having adequate transparency and disclosure on web site
- Communication between the Board and the shareholder based on mutual trust

Constraints

- Absence of Nomination, Remuneration, Risk and Compliance committees formed from amongst the Board members
- Non-existence of a female member in the Board
- Need for improvement in current internal control system
- Missing written and disclosed remuneration policy
- No performance evaluation system for the Board members
- Nondisclosure of the documents related to the shareholder general meetings

BANKA KOMBETARE TREGTARE SH.A.

Financial Data	1H2012	2011*	2010*	2009*	2008*	2007*	2006*	2005*
Total Assets (EURO mn)	1,644	1,443	1,124	933	828	815	651	498
Total Assets (USD mn)	2,067	1,865	1,503	1,340	1,161	1,200	858	589
Equity (USD mn)	160	138	119	95	84	65	46	33
Net Profit (USD mn)	18	29	25	13	20	17	12	8
Market Share (%)	19.45	17.73	15.62	14.43	12.28	13.40	13.09	12.29
ROAA (%)	n.a	1.96	1.97	1.16	1.84	2.10	2.05	2.01
ROAE (%)	n.a	25.65	26.19	16.31	29.33	39.28	37.91	37.85
Equity/Assets (%)	7.73	7.41	7.90	7.06	7.22	5.38	5.31	5.54
Capital Adequacy Ratio (%)	14.18	12.93	13.06	13.24	17.78	17.02	17.16	21.08
Annual Asset Growth Rate (%)	n.a	24.07	12.15	15.39	-3.20	39.86	45.66	16.90

*End of year

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 has been rated BB+ on the Foreign Currency scale and AAA on the Local Currency scale along with a Stable outlook by JCR-ER.

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 then was transformed into a joint stock company in July 1997. All of the Bank's 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 June 2012, the Bank carried out its activities through a branch network of 82, including 59 in Albania and 23 in Kosovo. The Bank is managed by a Board of Directors that consists of 3 non-executive members, 1 independent member and the CEO.