CORPORATE GOVERNANCE DISCLOSURE AND IMPLICATION IN THE FINANCIAL AUDIT OF BANKS IN ROMANIA

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Abstract

This paper aims to presents the relevant aspects regarding the implementation of principles and rules of corporate governance in the Romanian banking system. The purpose of the article is to investigate the theoretical and legislative basis which controls this area, but also research practical cases on this subject. Based on the review of national and international literature, the case study was based on a sample of 17 commercial banks from Romania. Using collected data from the official banks' websites, it was analyzed the details of chosen corporate governance elements: the management system, the shareholder and organizational structure, the financial control and audit, as well as if the banks offer disclosure for the applicable governance codes. The main conclusion which results from this study case is that, the information available to public provides details about the management structure and the audit department, but this information is not very detailed, the information about the professional experience of the members or the benefits that these credit institutions obtained from the application of corporate governance codes are not described, in some cases even missing.

Keywords: corporate governance, financial audit, disclosure, banking system, dual system, unitary system.

JEL Classification: G30, M14, M41, M42, M48.

Introduction

Even if the corporate governance has been extensively analyzed at national and international level, it presents a particular significance because gathers economic and political science but also presents a real interest for the public institutions and organizational enterprises. The theoretical concept has stimulated many reflections in the scientific papers, while the practical side of this concept is represented by the elaboration of rules and conduct.

The concept of corporate governance has emerged in the US, being adopted in Romania, based on the principles issued by OECD and the benefits that bring for the company, for the market, for stakeholders, and shareholders.

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Through this paper I would like to emphasize the importance of applying the concept of corporate governance, especially inside of commercial banks from Romania, but also the implications that this concept generates at the audit area. I chose this area because it provides more disclosure than the commercial or financial areas. Also, the fact that most banks are subsidiaries of an international group that adopted corporate governance has been a reason for my choice. To analyze the level of the implementation of corporate governance rules was analyzed 24 credit institutions from Romania, which obtained unqualified opinions from the financial auditors. The entities have been analyzed from the point of view of the most important elements of corporate governance, taking in account the disclosure that the banks provide. As a result of data systematization from the official banks' websites, it was identified several credit institutions that opted for a unitary management system, to the detriment of the dualist system. Also, the degree of disclosure has been low, few banks presenting details of the management structure and the audit committee.

The goals that I want to achieve in this article are: highlighting the benefits that an entity can have if will adopt a corporate governance code, the disclosure of an enterprise's business activity, the relationship between corporate governance and internal audit and / or financial audit if the existence of an audit committee is important for a company, even when it is not regulated.

The research will contribute to the development of specialty literature, because provides an analysis of the available data from the commercial banks from Romania, based on an oriented perspective which shows the necessity and importance of this data which relates to corporate governance.

The article is structured as follows: the following section contains a summary of the relevant literature on corporate governance, while the second section describes the research methodology. The third presents the results of the study following results and discussions. The last section includes the final conclusions, the limits of the study and future research directions.

1. Review of the scientific literature

1.1. Corporate Governance models

1.1.1. Corporate governance models applied in Romania

According to Law no. 31/1990, in case of Romanian enterprises, corporate governance can be organized through the unitary system and dualist system. The difference between the two systems is that in the unitary system, the companies are headed by a board of directors, and from the point of internal audit there is an audit committee made up of non-executive directors with experience in the accounting rules or financial audit. The dualist system governs the fact that the companies are headed by a directorate and a supervisory board that can set up advisory councils, including in the audit field.

The Corporate Governance Code of the Bucharest Stock Exchange establishes that the Board of Directors should adopt strict rules designed to protect the company's interests in the areas of financial reporting, internal control and risk management.

About the Advisory Committees, Hodgson and Nechita (2013) argue that their primary purpose is to investigate and propose recommendations about the audit work, remuneration policy, and candidates nominate for senior management positions.

The study about Governance in Romania led by Feleagă et al. (2011) indicates the board's attributes, such as: size, structure, frequency of the meetings, independency, separation between the chairman and executive director and disclosure rate for a sample of 15 industrial companies listed on the BVB in I category. Despite the implemented governance requirements implemented, the results showed that most companies fail to respect the recommendations of the BSE Code of Corporate Governance regarding the independence of directors and members of the audit committee.

Ştefănescu (2013) found that, according to Agency theories result the following assumption: as the number of non-executive members in the board of directors is higher, the more it can successfully carry out its role of monitoring and controlling the actions of CEOs, also providing a transparent image to the outside world.

In addition, Gîrbină et al. (2012) investigated the level of disclosure of corporate governance information published by the Romanian companies listed on the BSE. The research findings highlight a high variation in the appropriate disclosure of corporate governance issues. So, only 73% of companies made publicly available the information of the corporate governance on their websites, with the tendency to reveal a low level of information and only if this requirement is mandatory.

1.1.2. Corporate governance models applied in other countries

Corporate governance has become a concept that is increasingly concerned with the accounting profession because it provides a greater degree of assurance about the effective control system that is implemented in the entity, ensuring that the business is driven in the interest of shareholders and stakeholders. (Albu et al., 2013)

The authors Feleagă et al. (2011) have conducted an investigation into the concept of corporate governance in emerging economies, affirming that in developed countries we encounter two models of corporate governance: the shareholder model and the stakeholder model. While the first model aims to maximize value for shareholders, the following model aims to show the interests of stakeholders (employees, trading partners, shareholders, managers, etc.). The results highlighted that some emerging economies tend to adopt the shareholder model, despite the fact that this model is based on efficient market assumptions and stock market financing.

A practical application of the two models was made by Chuna and Rodrigues (2018) on companies listed to the Portuguese stock exchange. The authors considered that the application of the stakeholder model in the Portuguese context implies inefficiency, considering the high concentration of property, privileging large shareholders and ignoring the interests of minority shareholders.

The shareholder model is more beneficial, because it aims the entity well-being through which the managers of the entities are directly responsible for the satisfaction of the shareholders.

Even if the literature offers us many interpretations about the corporate governance systems, remains the question: Is there a convergence towards a unique system of corporate governance?

According to Magdaş and Fulop (2019), it is necessary to invest more in developing stronger and more effective rules, relating to the corporate governance. The question related to the costs is asked, but whatever is the level, it can certainly be lower than the losses caused by the system failures. Although it is difficult to reasonably an estimated cost of regulation and implementation, at first glance, the cost of regulating the capital market seems higher than in the banking system.

At internationally area, the authors Du boys and Tiberghien (2009) have debated in their paper the possibility of convergence for a unique system that could facilitate the access of the enterprises to finance. International investors need to be able to understand and estimate whether internationally comprehensible rules are respected. Instead, this convergence raises an important issue, namely the constraining of companies to adopt a governance system that would not be adapted to their specificity.

1.2. The implications of Corporate Governance in the banking system and financial audit

The literature is not very extensive; most researches have been achieved to highlight the practical side of applying the concept of governance at the institutional level and at the audit committee. So, in Callings' (2012) vision, at the level of the Romanian banking system is a continuous concern for the understanding and implementation of the key elements of corporate governance, and fairness, credibility and transparency in relation to shareholders. Assuming responsibilities, optimal administration of the management of risks function, is essential to ensure good corporate governance, capable of sustaining and promoting performance in the Romanian banking system and across the national economy.

Ştefanescu (2013b) considers that the audit function from a corporate governance perspective is appreciated through its ability to require entities to disclose as much additional information as possible in order to reduce the informational asymmetry between management and investors. An important role in this respect lies with the Audit Committee, which, from the perspective of the Agency's theory, is seen as a monitoring tool that improves the flow of information between the entity's owners and their management.

The evaluation of the implementation of the corporate governance principles regarding the management system for credit institutions in Romania through empirical testing with combined methods by Bîgioi (2013). The author chose a sample of 29 credit institutions from Romania. The analyzed entities have partly implemented the international guidelines and practices, achieving an average score of 2.36 points from the maximum of 10. Only 55% of the entities have published a list with the board members and only 10% of them published information about the membership.

The Romanian authors who studied the correlation between the financial audit, the corporate governance elements and the financial performance were more concerned in the practical side of this issue, and they had proposals and recommendations for improving the governance process.

Fătu (2018) studied the concept of corporate governance from the point of financial and non-financial reports, concluding that the assessment of the management act viewed through financial reporting is based on criteria related to the fulfillment or non-fulfillment of short-term objectives generally related to the indicators but also the way in which the resources of society were used, the integrity and the fair value reflection of its assets. On the other hand, non-financial reporting, though apparently less accountable, carries a much deeper x-ray of the business model of the company, indicates to a better extent the long-term development potential of the company.

Fulop (2011) considers that a central element in ensuring corporate governance is the relationship between the elements of the audit function. The relationship between internal and external audit is agreed because it reduces audit costs. The relationship between the internal audit and the audit committee is characterized by the close collaboration of the two audit functions.

Dobre (2015) suggests that implementing a higher quality of financial audit and adopting the corporate governance policies are important elements and can contribute to economic recovery. The author asserts that in order to increase the quality of financial audit, it is necessary to take into account the company's characteristics and the way in which corporate governance policies are implemented at company level.

Another study about companies listed on the Bucharest Stock Exchange was drafted by Apostol (2015), which declare that financial audit plays a very important role in ensuring financial transparency and the corporate governance system emphasizes this role.

Dobre and Brad (2015) found that changing the financial auditor is also an element that could influence the relevance of the Romanian capital market value.

Also, at internationally level, there is ongoing research on the convergence of governance systems with internal and external auditing. Authors Klai and Omri (2011) explained that the implementation of corporate governance in the company has been expected to improve the quality of the financial statements.

Koutoupis and Pappa (2018) conceived a survey using a sample consisting of companies listed on the Athens Stock Exchange in 2016, the research tool being the COSO model. After the analysis, they concluded that the internal audit is effective when the board of directors and management ensure that the company's objectives are managed and the published financial statements are reliable.

The authors Vintilă and Gherghina (2012) designed a study to examine the relationship between corporate governance ratings and firm performance, including both a global measure of corporate governance and four sub-indices, corresponding Audit, Board Structure, Shareholder Rights and Compensation, using a sample of 155 US companies listed at New York, NASDAQ and NYSE Amex Equities. The research highlights a negative relationship between the components of corporate governance and the entity’s performance and suggests that the shareholders and investors should not base entirely on commercial corporate governance ratings in their investment decisions, because they couldn’t take the proper investment decision each time.

According to the agency theories and stakeholder model, the big audit firms can influence the level and the quality of corporate governance (Barako et al., 2006). Big audit firms can be seen as an important mechanism for increasing confidence in financial information and company performance (Haniffa and Hudaib, 2007).

For example, the big audit firms offer higher quality audits than small audit firms. Big audit firms can be a mechanism to limit the opportunistic behavior of agents. Therefore, the quality of the audit function can improve the level of disclosure of corporate governance (Barako et al., 2006 and Eng and Mak, 2003). According to a study done by Change et al. (2010), the change into BIG 4 auditor in non - BIG 4 initially has a positive impact on stock prices, but when the quality of the audit decreases, entities are shifting to firms with better reputation.

A research conducted by Wafa (2013) investigated the effect of governance mechanisms (board of directors, audit committee, ownership structure and leverage) on the quality of the audit, measured by Big4 membership, and the amount of audit fees. The results of the logistic regression show that governance mechanisms affect positively the audit quality.

2. Research methodology

For this case study, we choose to start with 24 companies credit institutions (commercial banks) from Romania. I choose the banking sector because I believe that it offers more disclosure in publishing financial and non-financial information, but also because most of the credit institutions are part of an international group, which leads to a higher possibility to implement a corporate governance code.

From the original sample of 24 credit institutions, only 17 credit institutions published information about the governance code that applied, so that the final sample consisted of the 17 credit institutions. The data was collected from the official websites of the commercial banks, which are exposed on the NBR website. The main research methods that I used were: observation, analysis, synthesis and case study.

I analyzed if the concept of corporate governance is applied in the bank activities, and if the institution has a corporate governance code, the chosen management system and what are the main benefits of this decision, how is composed the shareholder structure, the share capital structure, how many organizational structures have, but also what are the main benefits of implementing corporate governance codes at the level of internal control and financial audit.

3. Results and discussion

For an easier interpretation, the results were grouped into four categories, respectively: the management system, the shareholder structure, the organizational structure, and the financial audit. The table no. 1 presents this data:

Table no. 1 Elements of Corporate Governance in the Banking System (synthesized)

No.	Banks	Management system	Shareholder structure		Total no. Of committees		Total members
			% P.F.	% P.J.	Adm.	Cons.	
1	Alpha Bank Romania S.A.	Unitary	-	100	2	-	14
2	The Romanian Bank for Loans and Investments (BRCI)	Dual	1,78	98,22	2	-	6
3	Commercial Bank FEROVIARĂ	Unitary	38,44	61,56	2	3	10
4	Commercial Romanian Bank (BCR)	Dual	0,12	99,88	2	4	12
5	Export-Import Bank of Romania EXIMBANK	Unitary	2,95	97,05	2	2	4
6	Romanian Bank - Member of the National Bank of Greece	Dual	0,72	99, 28	2	2	13
7	Transilvania Bank	Unitary	-	100	2	2	20
8	BRD - Groupe Société Générale	Unitary	39,83	60,17	2	4	17
9	CEC Bank	Dual	-	100	1	4	13
10	Crédit Agricole Bank Romania	Unitary	-	100	2	1	9
11	Credit Europe Bank (Romania)	Unitary	0,67	99,33	2	3	16
12	Garanti Bank	Unitary	-	100	2	-	14
13	Idea Bank	Unitary	-	100	2	-	9
14	Libra Internet Bank	Unitary	5,77	94,23	2	2	13
15	OTP Bank Romania	Dual	-	100	2	-	11
16	Raiffeisen Bank	Dual	-	100	2	1	16
17	UniCredit Bank	Dual	1,40	98,60	2	4	15

Source: own projection

Abbreviations used:

% PJ = the proportion of the share capital held by legal persons

% PF = the proportion of the share capital held by individuals

Adm. = administrative committees
Cons. = advisory committees

3.1. Management system

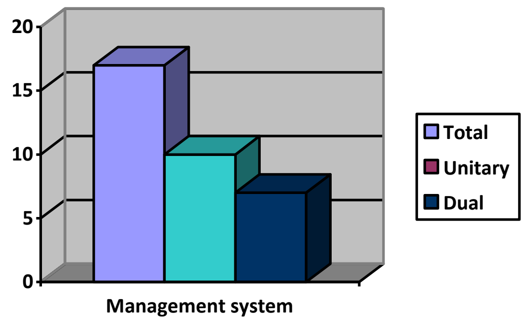

Figure no. 1 The management system
Source: own projection

From the total of 17 credit institutions, 10 have chosen a unitary management system, and the difference of the other 7 banks, have chosen the dualist management system. Although, a high proportion of the institutions have chosen a unitary management system, I believe that the dualist system is more beneficial to the welfare of an institution because it places the society interests at the center and gives shareholders more control in the management area. Also, the possibility to create consultative councils, especially in the audit area, is another strength that this management system offers. These arguments support the conviction that the dualist system is more profitable for a society, contributing to increasing confidence, but also to a disclosure and a real presentation of the financial and management information.

An important conclusion that comes after this work is about the objectives that the commercial banks have proposed to carry out by implementing the corporate governance code. For both systems, a primary objective is to define the competences and responsibilities that the management structures have, but also to respect the rights and fair treatment of the shareholders.

3.2. Shareholder structure

From the total of 17 credit institutions included in the sample, most of them hold a foreign share capital, except for this three banks (Romanian Bank for Loans and Investments (BRCI), CEC Bank and Commercial Bank FEROVIARA), that hold a 100 % Romanian share capital. Also, the highest proportion of holdings capital is generally made up of legal entities, members of the international group which they own. In the unitary system, from the total of 10 credit institutions, 4 hold a share capital owned entirely by entities, and within the dualist system, from the total of 7 credit institutions, 3 hold a share capital owned entirely by entities. The proportion of the share capital held by individual's persons is much lower compared to the ownership of entities where the proportion exceeds 60%.

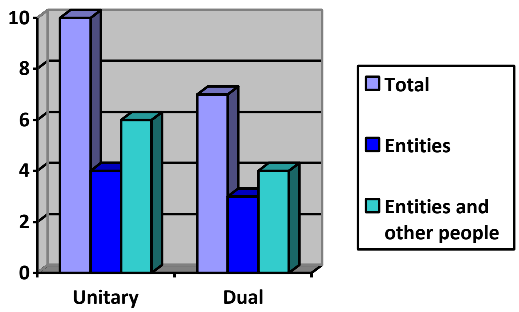

Figure no. 2 Structure of social capital
Source: own projection

Within the unitary system, was finding a proportion between 0.67% and 39%, and within the dualist system between 0.12% and 1.78%. This is due to the fact that the most credit institutions are only a subsidiary of an international group and the share capital contribution of the group is foreign. From the provided data by the analyzed institutions, the group that each subsidiary is part of holds a contribution of over 50% of the subsidiary's share capital.

3.3. Organization structure

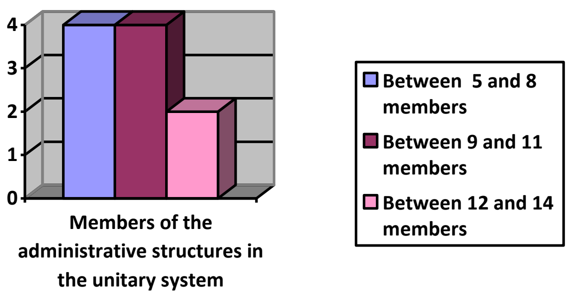

Figure no. 3 The component of the administrative committees in the unitary system
Source: own projection

In case of administrative structures, from the banks that apply a unitary management system, the overall average is 11 members. Only two banks (Alpha Bank and Garanti Bank) hold a maximum of 14 members and the structure of Transilvania Bank's administrative committees is composed by 14 members. At the opposite, FEROVIARA Commercial Bank holds a minimum of 5 members and the Export-Import Bank of Romania EXIMBANK and Libra Internet Bank have just 7 members. The other banks included in the sample hold approximately 11 members (Credit Europe Bank - 10 members, Crédit Agricole Bank Romania and Idea Bank - 9 members and BRD - 9 members).

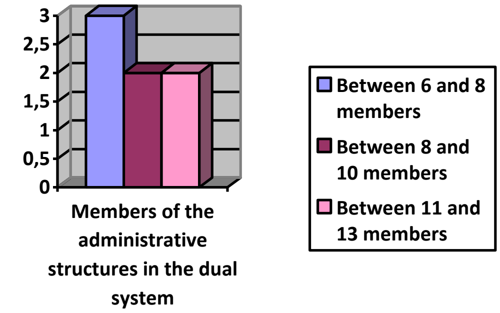

Figure no. 4 The component of the administrative committees in the dual system
Source: own projection

In case of the dual system, the average in the administrative councils is 10 members, CEC Bank and Raiffaisen Bank have a structure of 13 members and Unicredit bank has 12 members. Below average is BCR and Romanian Bank - Member of the National Bank of Greece with a total of 7 members and BRCI with 6 members.

Referring to the Advisory Committees, subordinated to the Board of Directors, the overall average is 3 members (one chairman and two members). From the banks that opted for a unitary management system, only Libra Internet Bank holds more members in the Audit Committee, and FEROVIARA Commercial Bank is below average with only 2 members in the Audit Committee. From the opposite, the banks that opted for a dualist management system respect the overall average of three members. For the other Advisory Committees, the number of members is different according to the number of committees formed and is between 10 members in the case of FEROVIARA Commercial Bank, followed by BRD and BCR each holding 5 members, Credit Europe Bank with 3 members and Libra Internet Bank, which has 2 members. The average is 3 members and is applied within the banks detailed in Table 1, which provides information on this aspect.

3.4. Relationship Audit Committees - Financial Audit

The board of directors is required to set up an audit committee to assist it in fulfilling its responsibilities in the areas of financial reporting, internal control and risk management. The Audit Committee has the task of assisting the Board of Directors in monitoring the credibility and integrity of financial information provided by the company (Fulop, 2014).

From the analyzed banks, the implementation of corporate governance results three important functions: the risk management function, the compliance function, and the internal audit function. These functions lead to four types of objectives. These are: performance objectives (efficiency and effectiveness), information objectives (credibility, integrity, and delivery – on time), compliance objectives (compliance with applicable laws and regulations) and internal audit objectives.

Two important benefits that the corporate governance concept at internal control level and financial audit in the banking system are: to understand the purpose for which internal control or internal auditing is examined by the auditors, but also the examination, together with the management of the Internal Audit Department, of the operating procedures, the audit plan, the activities and the internal audit function.

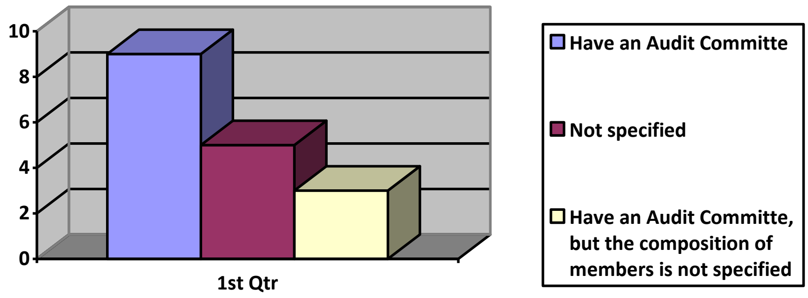

Figure no. 5 Existence of Audit Committees from the organizational structure

Source: own projection

Although the existence of an Audit Committee is compulsory for the credit institutions analyzed (because are audited), not all banks provide information on this issue. In the figure no. 1, can be seen that from the total of 17 banks, only 9 declare on official websites that they have an Audit Committee and give details about the membership. In addition to these 9 banks, 5 declare that have an Audit Committee, but do not provide details about the membership. The difference of 3 banks does not provide any detail about the existence of an Audit Committee in their organizational structures.

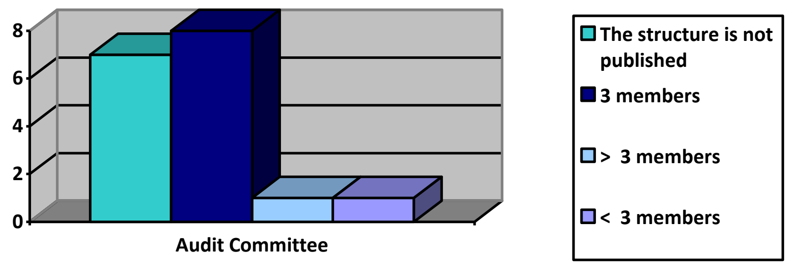

Figure no. 6: the structure of Audit Committees

Source: own projection

As I mentioned in the paragraph 3.3, the Audit Committee is generally composed from 3 members (one chairman and two members). From the analysis, it was noticed that most of the banks are reserved about the disclosure relating to the Audit Committees membership. Only 58% of the banks have published information on this aspect, respectively 10 banks, of which FEROVIARA Bank has an Audit Committee consisting of 2 members, and the Audit Committee of Libra Internet Bank have 4 members. The other 8 banks have two members and one chairman. Also, I have meet credit institutions that have decided to not provide data about the Audit Committees existence and structures. These banks represent 42% from the total of the analyzed institutions.

Conclusions

Although it was met a significant progress in Romania, the full implementation of corporate governance principles remains at the disclosure stage. A major obstacle is the speculative character of the Romanian stock market. It is necessary to review the Romanian legal framework in order to achieve a real compatibility with the corporate principles regarding the powers and competencies of the Audit Committee.

We cannot refer to a single system of corporate governance because each structure is different and each institution that applies it has its own particularities.

An important objective that the corporate governance relates is to avoid conflicts of interest between the institution and management, based on transparency and trust.

The corporate governance system stimulates the growth of business efficiency by expanding internal audit skills and setting up audit committees by organizing internal control, understanding the significance of transparency and quality of financial information and improving management, and encouraging the entity to focus on social responsibility.

The concept of corporate governance also has implications in auditing, applying Agency Theory and Stakeholder Theory.

Also, a similarity between the two administrative systems applicable in Romania (unitary and dualist) is that the establishment of an Audit Committee is mandatory for all audited companies. The main difference between the two management systems refers to the governing structures of the institution. Within the unitary system, the management of the company rests with the Board of Directors, whereas, in the case of the dual system, this task falls within the remit of the Directorate or the Supervisory Board.

The Audit Committee assists the Board when discussing about internal control and financial reporting issues, preparing annual financial statements, risk management and audit reports.

Following the case study, I can conclude that in the Romanian banking system, the disclosure regarding the corporate governance concept is not very high, only 71% have published on their own sites data about this concept, but in some cases data was only partially complete. Regarding the administration system, a higher proportion of credit institutions have been oriented towards the adoption of a unitary system of administration, even if the dual system offers more control over the activity carried out by the Supervisory Board. The share capital of the banks is mostly owned by entities, being an indigenous one, and the group company has a significant share. As an exception, there are three credit institutions with 100% Romanian capital. With regard to the financial audit, of the analyzed banks, 47% hold an Audit Committee and provide information about its structure and responsibilities, 34% hold Audit Committees but do not provide details about its composition, and 19% of the banks have not published any audit related information.

The limits of the research was the fact that is not a certified database; the data was collected manually, being retrieved from information published by the banks, and has not been performed an empirical research with statistical processing to highlight if corporate governance has an impact on the performance of the analyzed banks, but these limits can be starting points for the future research directions.

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Legislative regulations:

[1] The law of commercial entities no. 31/1990

Web sites:

*** http://www.bvb.ro/

*** https://www.bnro.ro/Banci-comerciale-1333.aspx

Annex A

Table no. 1 Elements of Corporate Governance in the Banking System

No.	Banks	Management system	Shareholder structure % P.F.	Shareholder structure % P.J.	Organizational structure: Committees	Organizational structure: Members	Organizational structure: Total no.
1.	Alpha Bank Romania S.A.	Unitary	-	100	Board of Directors	1 chairman 8 members	9
					Executive Committee	1 chairman 5 members	6
2.	The Romanian Bank for Loans and Investments (BRCI)	Dual	1,78	98,22	The Supervisory Board	1 chairman 2 members	3
					Directorship	1 director 2 members	3
3.	Commercial Bank FEROVIARĂ	Unitary	38,44	61,56	Board of Directors	1 chairman 2 members	3
					Leadership Committee	1 director 2 members	3
					Audit Committed	1 chairman 1 members	2

					Credit Committee	1 chairman 6 members	7
					Asset and Liability Management Committee.	1 chairman 5 members	6
4.	Commercial Romanian Bank (BCR)	Dual	0,12	99,88	Executive Committee	1 chairman 4 members	5
					The Supervisory Board	1 chairman 2 members	3
					Audit and Conformity Committee	1 chairman 2 members	3
					Risk Board	1 chairman 2 members	3
					Remuneration Committee	1 chairman 2 members	3
					Nomination Committee	1 chairman 2 members	3
5.	Export-Import Bank of Romania EXIMBANK	Unitary	2,95	97,05	Board of Directors	1 chairman 4 members	5
					Steering Committee	1 director 1 members	2
					Audit Committed	Not specified.	-
					Risk Management Committee	Not specified.	-
6.	Romanian Bank - Member of the National Bank of Greece	Dual	0,72	99, 28	Board of Directors	1 chairman 5 members	6
					Directorship	1 director 1 members	2
					Audit and Risk Management Committee	1 chairman 2 members	3
					Committee on Remuneration and Nomination	1 chairman 2 members	3
7.	Transilvania Bank	Unitary	-	100	Board of Directors	1 chairman 6 members	7
					Leadership Committee	1 director 6 members	7
					Committee on Remuneration and Nomination	2 directors 1 members	3
					Audit Committed	2 directors 1 members	3
8.	BRD - Groupe Société Générale	Unitary	39,83	60,17	Board of Directors	2 directors 7 members	9
					Audit Committed	1 chairman 2 members	3

					Risk Board	1 chairman 2 members	3
					Remuneration Council	1 chairman 2 members	3
					Nomination Committee.	1 chairman 2 members	3
9.	CEC Bank	Dual	-	100	Board of Directors	1 chairman 10 members	11
					Steering Committee	1 chairman 4 members	5
					Audit Committed	Not specified.	-
					Risk Management Committee	Not specified.	-
					Remuneration Committee	Not specified.	-
					Nomination Committee	Not specified.	-
10.	Crédit Agricole Bank Romania	Unitary	-	100	Board of Directors	1 chairman 4 members	5
					Executive Committee	1 director 4 members	5
					Audit and Risk Management Committee	1 chairman 2 members	3
11.	Credit Europe Bank (Romania)	Unitary	0,67	99,33	Board of Directors	1 chairman 6 members	7
					Leadership Committee	1 chairman 3 members	4
					Audit Committed	1 chairman 2 members	3
					Remuneration Committee	1 chairman 2 members	3
					Risk Board	1 chairman 2 members	3
12.	Garanti Bank	Unitary	-	100	Board of Directors	1 chairman 9 members	10
					Executive Committee	1 director 4 members	5
13.	Idea Bank	Unitary	-	100	Board of Directors	1 chairman 4 members	5
					Steering Committee	1 chairman 4 members	5
14.	Libra Internet Bank	Unitary	5,77	94,23	Board of Directors	1 chairman 6 members	7
					Steering Committee	1 director 3 members	4
					Audit Committed	1 chairman 3 members	4

					Committee on Remuneration and Nomination	1 chairman 3 members	4
15.	OTP Bank Romania	Dual	-	100	Supervisory Board	1 chairman 5 members	6
					Directorship	1 chairman 4 members	5
16.	Raiffeisen Bank	Dual	-	100	Supervisory Board	2 chairman 4 members	6
					Directorship	1 chairman 6 members	7
					Audit Committed	1 chairman 2 members	3
17.	UniCredit Bank	Dual	1,40	98,60	Supervisory Board	1 chairman 5 members	6
					Directorship	1 director 5 members	6
					Audit Committed	1 chairman 2 members	3
					Remuneration Committee	Not specified.	-
					Risk Management Committee	Not specified.	-
					Nomination Committee	Not specified.	-

Source: own projection

Abbreviations used:

% PJ = the proportion of the share capital held by legal persons

% PF = the proportion of the share capital held by individuals