CORPORATE GOVERNANCE IN FINANCIAL INSTITUTIONS ON TRANSITION ECONOMIES

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Abstract

"We are talking about the governance of financial institutions... into the future, and we are dealing with a situation in which the American people and peoples around the world have lost confidence in major financial institutions"- Governance of financial institution, November 9, 2009, The University Club, NY.

Governance has proved an issue since people began to organize themselves for a common purpose. How to ensure the power of organization is harnessed for the agreed purpose, rather than diverted to some other purpose, is a constant theme. The institutions of governance provide a framework within which the social and economic life of countries is conducted. Corporate governance concerns the exercise of power in corporate entities. The OECD provides the most authoritative functional definition of corporate governance: "Corporate governance is the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the company objectives are set, and the means of attaining those objectives and monitoring performance."

However corporate governance has wider implications and is critical to economic and social well being, firstly in providing the incentives and performance measures to achieve business success, and secondly in providing the accountability and transparency to ensure the equitable distribution of the resulting wealth. The significance of corporate governance for the stability and equity of society is captured in the broader definition of the concept offered by Sir Adrian Cadbury (2002): "Corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society."

Corporate governance in financial institutions is the set of standards and principals used to create a system of checks and balances over the management of banks and financial intermediaries. It establishes the way financial institutions are directed and controlled, ordinarily through standards set for the conduct of the board of directors and senior management. Countries have different political and regulatory environments, business standards and customs. Additionally, independent legal systems varying from country to country cause significant differences in corporate governance practices. There is, however, an international movement toward universal standards for all multinational financial institutions that has been gaining traction since the late 1990s.

The topic of corporate governance of financial institutions and its role in stabilizing the industry has reached new levels of importance since the mid 1990s as a result of the globalization of financial markets, deregulation and technological change. These positive factors, together with the poor management, corruption and fraud that resulted in multiple financial crises in major industrialized countries over a number of years brought the role of corporate governance in financial institutions to the forefront in many countries and in the international economic community.

The Corporate Governance in banks is one of the most important discussions overall the world, being reinforced especially after the crises period. It is related with the sensitive situation and the stage of developments of the local economy and moreover with the impact of the crises that is still ongoing. As an answer, during late 2008 and beginning 2009, it has been noticed a fast reaction and total focus from all banks on building (if missing) and improving their structures of Corporate Governance. The liquidity problems suddenly affecting the banking sector constrained Banks to enlarge their activities /operations and forced them in better evaluating their investments.

This paper (discusion in conference) aims to evaluate the impact of corporate governance on financial performance, in the same time we are analyses corporate governance with focus in financial institution buth with importance of corporate governance in all aspects as a part of transition economies that has implement this CG******.

Keywords: Corporate Governance, Banking Sector, Financial Institution, Board of Directors

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1 Introduction

Corporate governance has been the subject of numerous theoretical and empirical studies especially after the fraudulent financial reporting scandals such as Enron, World.com, Adelphia, and Parmalat. Given the importance of corporate governance practices, many analyses have been conducted in developed countries evaluating the relationship between corporate governance and financial performance.

Much of corporate governance theory and research is based on nonfinancial firms and is from the implicit viewpoint of the potential investor. The starting motivation is the existence of the modern corporation, where dispersed ownership is split from a professional management team. A viewer of this market structure may wonder why, with all the problems of moral hazard embedded in the structure and operation of the modern limited liability corporation, would any investor ever invest in a publicly traded firm?

Moreover, how could investors possibly believe that their money would ever be returned (Shleifer and Vishny1997)? This principal-agent problem is elegantly solved by making management explicitly responsible for the value maximization of the firm. Equity-based compensation and the market for corporate control further incentivize management and align its interests with those of shareholders. Executives are also responsible to a board of directors, whose constituents are the shareholders of the firm. For nonfinancial firms, actions encouraging ownership of large equity blocks may also be taken to align incentives between management and owners. While such an approach may increase monitoring of insider actions for nonfinancial firms, it is less powerful for financial institutions given the existing regulatory restrictions on ownership and control (Shleifer and Vishny 1986).

However, as long as there are profitable opportunities for financial institutions that do not directly improve the quality of financial intermediation as a whole, the interests of shareholders and the public may be at odds. Although empirical results are mixed, value maximization is a powerful conceptual tool for addressing the problems of poorly run firms—rooting out corruption, for example, or punishing lazy or incompetent management. In a world with perfect information and the absence of market failures, the interests of shareholders would be aligned with those of society at large. Banks could increase profitability and achieve value maximization only through the pursuit of productive activities that improved the overall quality of financial intermediation (Stiglitz et al. 2009).

However, existing financial markets suffer from problems of imperfect information and moral hazard. Shareholders and creditors of banks may want a higher level of risk-taking than a social planner would deem optimal. The creation of moral hazard as a result of government bailouts and deposit insurance means that excess returns from any increase in risk would go to banks (and through them, their investors), while the cost of failure would be borne by society at large. Furthermore, the existence of imperfect information means that this strategy is possible for banks to pursue, as their risk is observed only imperfectly.

Let us set aside value maximization and consider instead the ideal financial institution from the point of view of a social planner. Here, we attempt to balance potentially conflicting desires. On the one hand, financial institutions and financial markets are incredibly important—too important to not work, even for a short amount of time. Any sudden shock that prevents the banking system from playing its role in financial intermediation may result in severe and prolonged distress in the real economy.

Nonfinancial firms and households may take longer to recover from shocks than financial firms given the illiquid nature of their assets and the longer time horizon of many physical and human capital investments.

Historical examples of a frozen financial system—bank runs by individual depositors and their current reincarnation in the repo and commercial paper markets— underscore the need for smooth functioning of financial markets. Deadweight losses to the economy can come from both idiosyncratic and systemic failures in the financial system. As such, safety and soundness of banks must be a top priority.

On the other hand, this need for stability is counteracted by the benefits of innovation and improvement in the financial system. A large body of research has documented the links between finance and growth in both developing and developed economies (for example, King and Levine 1993,Rajan and Zingales 1998). From the functional perspective, a strong financial system provides five main services: 1) assisting the movement of goods and services though a system of payments, 2) supervising and disciplining borrowers, 3) identifying viable investments, 4) managing risk and uncertainty, and 5) aggregating society's savings for investment (Levine 1997).

As a society, we would like the financial system to improve the workings of these functions over time. However, the innovations may be destabilizing. For example, the creation of credit scores and their widespread adoption in quantifying the creditworthiness of potential borrowers have improved the screening ability of banks, allowing them to move beyond observed characteristics such as race and gender in extending loans. The increased standardization of the screening process, however, may have made banks less stable over time by contributing to the rise in nonbanking competitors, which also offer loans and have reduced the profit margins of traditional banking.

Are these two desires irreconcilable? Yes and no. Some policies, such as those aimed at weeding out predatory lending, may increase both stability and efficiency (Stiglitz et al. 2009). Other policies may require a normative choice on the desired tradeoff between a safe financial system and an innovative one. Further research is needed to develop standards and metrics for evaluating the governance and performance of financial institutions.

Corporate governance issues have gradually become important in Albania during the last decade. Such development is in line with the country's efforts to create a sound business climate, attract new investments and develop capital markets.

The transformation of Albania's economy from an isolated and centralized economy to a market-based and open one called for the design and implementation of a new legal framework. The process could only be successful if due importance were paid to building institutional and human capacities. While many goals have been achieved, the road has been bumpy and major improvements are still needed. All these developments directly impact corporate governance practices, determining to a great extend its model and quality.

We focus on banks' governance issues in terms of their balance sheet structure, regulatory requirements, and other issues, mainly because of their crucial role in efficiently allocating capital in an economy, and their paramount importance in Albania's financial stability and economic growth prospects. Our analysis starts with a description of the relationship between corporate governance and banking regulation from a financial stability viewpoint. We show that banking regulations and the actions and inactions of the regulatory authority –as an agent of public interest– greatly affect agency problems in banks. Furthermore, given the lack of a functioning stock market in Albania, we believe that sound bank governance practices could serve as an external force on other companies' governance practices.

2 Importance of Corporate Governance

The importance of Corporate governance consists in its contributing to not only corporate prosperity, but also to responsibility. Along with the development of global markets investors' activity increases, with them demanding higher standards of responsibility, conduct and performance. Investors tend to seek opportunities outside their domestic markets ever more often. The companies trying to gain resources on the international capital markets, however, often find that capital is only available for those who conform to the internationally accepted standards of corporate governance and publishing of information. These are only some of the reasons leading to the worldwide improvement of the Corporate Governance standard and, in some degree, to its convergence. The defining of Corporate governance is not a matter of unified terminology. In the evaluation of CG (Kavalíř, 2005) the corporate governance is described with the following quotes: a system through which companies are managed and controlled. The statutory bodies are responsible for corporate management. The responsibility of a body covers the setting of a company's strategic goals, the management keeping check on realization of the goals, supervision of the management and informing shareholders about the performance of duties of a steward (Cadbury, 1992). According to another description of CG (Demb & Neubauer, 1992) it is a process through which companies respond to the rights and requests of stakeholders.

According to (Klírová, 2001) corporate governance is understood as the key element in the effort to reach economic efficiency and a growth justifying increase in the investor trust. It encompasses a broad range of problems arising from the relationships between the corporate management, the administrative authorities, shareholders and the other stakeholders.

There are various definitions of the corporate governance - e.g. the Corporate Governance Principles created by the Organization for Economic Co-operation and Development (OECD) in 1999 state the following:

"Corporate governance is a system through which business companies are managed and controlled. The structure of corporate governance defines the division of rights and duties between the individual stakeholders in a company and lays down

detailed rules and procedures for the decision-making on business matters of a company. On this basis a structure is created that establishes the company goals and the means of reaching the goals and monitoring performance".

The recent experience of countries in transition shows that the assumption that a strong system of corporate governance will appear automatically as a result of ownership transformation is unrealistic. Even in developed market economies, differences in the ownership structure and level of concentration or

dispersion of owners influence the selection and adjustment of corporate control mechanisms. For the countries in transition, the problem of good corporate governance development becomes more complicated due to the underdeveloped institutional infrastructure. For this reason there is a need for a
careful approach to governance restructuring so that a private sector can be formed, powerful enough to realize successful economic transformations towards a market economy.

3 What is corporate governance and bank governance?

Corporate governance is a relatively recent concept (Cadbury 1992; OECD 1999, 2004). Over the past decade, the concept has evolved to address the rise of corporate social responsibility (CSR) and the more active participation of both shareholders and stakeholders in corporate decision making. As a result, definitions of corporate governance vary widely.Two categories prevail. The first focuses on behavioral patterns — the actual behavior of corporations, as measured by performance, efficiency, growth, financial structure, and treatment of shareholders and other stakeholders. The second concerns itself with the normative framework — the rules under which firms operate, with the rules coming from such sources as the legal system, financial markets, and factor (labor) markets. Both definitions include CSR and sustainability concepts. For studies of single countries or firms within a country, the first type of definition is the more logical choice. It considers such matters as how boards of directors operate, the role of executive compensation in determining firm performance, the relationship between labor policies and firm performance, and the roles of multiple shareholders and stakeholders. For comparative studies, the second type is more relevant. It investigates how differences in the normative framework affect the behavioral patterns of firms, investors, and others. In a comparative review, the question arises: how broadly should we define the framework for corporate governance? Under a narrow definition, the focus would be only on those capital markets rules governing equity investments in publicly listed firms. This would include listing requirements, insider dealing arrangements, disclosure and accounting rules, CSR practices, and protections of minority shareholder rights. Under a definition more specific to the provision of finance, the focus would be on how outside investors protect themselves against expropriation by the insiders. This would include minority rights protections and the strength of creditor rights, as reflected in collateral and bankruptcy laws and their enforcement. It could also include such issues as requirements on the composition and rights of executive directors and the ability to pursue class-action suits. This definition is close to the one advanced by economists Shleifer and Vishny (1997): "Corporate governance deals with the ways in which suppliers of finance to corporations assure themselves of getting a return on their investment." This definition can be expanded to define corporate governance as being concerned with the resolution of collective action problems among dispersed investors and the reconciliation of conflicts of interest between various corporate claimholders. A somewhat broader definition would characterize corporate governance as a set of mechanisms through which firms operate when ownership is separated from management. This is close to the definition used by Sir Adrian Cadbury, head of the Committee on the Financial Aspects of Corporate Governance in the United Kingdom: "Corporate governance is the system by which companies are directed and controlled" (Cadbury Committee 1992, introduction). An even broader definition of a governance system is "the complex set of constraints that shape the ex post bargaining over the quasi rents generated by the firm" (Zingales 1998). This definition focuses on the division of claims and can be somewhat expanded to define corporate governance as the complex set of constraints that determine the quasi-rents (profits) generated by the firm in the course of relationships with stakeholders and shape the ex post bargaining over them. This definition refers to both the determination of the value added by firms and the allocation of it among stakeholders that have relationships with the firm. It can be read to refer to a set of rules and institutions.

Corresponding to this broad definition, the objective of a good corporate governance framework would be to maximize firms' contributions to the overall economy — including all stakeholders. Under this definition, corporate governance would include the relationship between shareholders, creditors, and corporations; between financial markets, institutions, and corporations; and between employees and corporations. Corporate governance would also encompass the issue of corporate social responsibility, including such aspects as the firm's dealings affecting culture and the environment and the sustainability of firms' operations. Looking over the past decade, we see increased emphasis on CSR, as reflected in investor codes, companies' best practices, company laws, and securities regulatory frameworks.Shleifer and Vishny (1997) offer a dynamic perspective: "Corporate governance mechanisms are economic and legal institutions that can be altered through political

process." This dynamic aspect is especially relevant in a cross-country review, but only lately has it received attention from researchers (see Roe and Siegel 2009; Licht 2011).

Corporate governance refers to the set of rules and incentives by which the management of a company is directed and controlled. Corporate governance frames the distribution of rights and responsibilities among the main corporate bodies and provides the structure through which company objectives are set, implemented and monitored. A firm committed to good corporate governance has an empowered board, a solid internal control environment, high levels of transparency and disclosure, and well-defined and protected shareholder rights. Banks have some specific corporate governance issues. Their stakeholders vary more widely than other private companies, including not only the shareholders but also, and perhaps more significantly, depositors and the general public. Banks deliberately take and position financial risk as the primary function through which to generate revenue and serve their clientele, leading to an asymmetry of information, less transparency and a greater ability to obscure existing and developing problems. They can also quickly change their risk profile, so weak internal controls can rapidly cause instability. As a result, sound internal governance for banks is essential, requiring boards to focus even more on risk assessment, management, and mitigation. Good governance also complements financial supervision and is an integral factor to implementing effective risk-based financial oversight.

4 Governance failures in the crisis

The central irony of the governance failures of 2007–2008 was that many took place in some of the most sophisticated banks operating in some of the most developed governance environments in the world, such as the United States (US) and the United Kingdom (UK). A variety of studies have been carried out to analyze the contribution of weak governance to bank failure and more broadly, to the financial crisis. The majority of their conclusions can be categorized into four broad areas:

- Risk governance
- Remuneration and alignment of incentive structures
- Board independence, qualifications, and composition
- Shareholder engagement

Most important that I think to analyze are two :

- Risk governance
- Remuneration and alignment of incentive structures

4.1 Risk governance

A lack of effective risk governance is found at the top of the list of governance failures that led to the current crisis (OECD 2009, UBS 2008, Walker 2009). Risk governance is generally defined as board and management oversight of risk and the attendant configuration of internal risk identification, measurement, management, and reporting systems. Understanding the bank's risk composition and market position is key to the board's ability to set strategic direction and risk policy, provide management oversight, respond to developing challenges and opportunities, and effectively measure institutional performance based on the return of those risks and allocated capital.

However:

- Many boards did not possess a comprehensive understanding of their institutions' risk profile and were not able to judge its appropriateness.
- Senior management failed to adopt and integrate the necessary systems to identify, manage, and report risk.
- Risk management units did not have the visibility, stature, or independence to raise and consolidate the specter of risk to a level sufficient to prompt management and board response.

4.2 Remuneration and alignment of incentive structures

Good governance practice requires that boards should strive to align executive and board remuneration with the longer-term interests of the company and its shareholders. Over the past 10 to 20 years, this general goal was interpreted in the US and elsewhere to mean greatly increased use of equity-based, variable compensation, including stock options. However, the financial crisis has increased scepticizm over the structure and use of incentive-based compensation. In banks (particularly failed ones), executives were seen to "reach for short-term yield" at the expense of long-term firm stability and value. This problem was compounded by the short-term nature of incentive structures, particularly those designed for the traders and business lines dealing with financial products most centrally implicated in the financial crisis. In some cases, the relatively high proportion of variable pay comprising remuneration packages required companies to issue bonuses even when the business was not profitable.

5 Reforms in the Legal Framework of Corporate Governance in Albania

Albania is a developing country that is still undertaking structural, economic, social and legal reforms –most in light of the country's Eu integration process. however, despite accomplishments to date,

the country is still stuck in the long–lasting transition that started in year 1992.

In 2003, Albania started the negotiation process for a Stabilization Association Agreement (SAA) with the European union, which was eventually signed in 2005, and entered into force in 2006. The SAA serves as a transitory instrument (10 year period) aiming to bring Albania closer to the standards and values of the Eu and to prepare the country for accession.

According to Article 70(3) of the SAA, these newly designed legal acts where part of the legal reform toward the approximation of legislation with the Acquis Communautaire in the first stage of the SAA in the areas of company law and financial services.

Referring to the annual Progress Reports (EC 2007-2011) issued by the European Commission, the above-mentioned legal reform should bring Albania closer to EU standards in terms of the functioning of market economy and to the European Single Market standards, providing solid foundations for further improvement.

In this regard, this newly designed legal framework mirrors the recent developments in the EU Company Law. From the 1960s to the 1990s, EU legislation and jurisprudence was focused on providing a common field of play for European companies, stressing the importance of the Right of Establishment and Free Movement of Capital. The establishment of supranational companies with fragmented financial markets and the need for funding from international investors pushed the EU towards equity markets and corporate governance development. Theoretically speaking, this meant a shift from the insider model of governance towards a hybrid model – a combination of the insider and outsider models, where the latter relies on capital markets and corporate governance.

As a result, the Albanian corporate governance legal framework is also a combined insider-outsider model, providing the legal infrastructure for a functioning equity market.

As stipulated in Article 1 of the Securities Law, "...regulates the manner of and conditions for issuance, trading and registration, identification and performance of transactions in securities and persons and individuals authorized to perform transactions with securities, the conditions for the organization of the public trading of securities, the protection of investors and the securities-right holders, and the conditions for dematerialized securities, the organization and functioning of securities registries, exchanging and regulation of the securities market".

In addition, the TSE (Tirana Stock Exchange) was established in 1996 and licensed recently by the Albanian Financial Supervisory Authority, according to the requirements of the Securities Law.

Furthermore, legal requirements for financial information disclosure and transparency have been considerably improved. Articles 28 and 29 of the Securities Law stipulate the obligation of issuing companies to prepare and publish their prospectuses according to the principles, procedures and legal requirements on both the object and the content of prospectuses. The Accounting and Financial Statements Law obliges banks and other relatively big companies (i.e. with revenue over €10 million over the last two years and with 100 or more employees) to adopt International Accounting Standards for their financial statements (Art. 4). In addition to online business registration facilities, the Registration and Disclosures Law, provides for compulsory disclosure of annual accounting documents and other data in the National Registration Centre, which are made electronically available to the public. Moreover, the recently adopted Certified Accountants Law provides additional requirements on reporting quality. It "... aims to improve and strengthen the public supervision of registered and authorised accountant's profession" (Art.1/1). This law also regulates individual and consolidated annual financial statements, as well as the organization and functioning of audit companies and professional accounting organizations.

One of the most important developments in the legal area was the adoption of the new Company Law, which aims to provide asimple, clear and up-to-date system. It adopts Eu standards on company law, corporate governance and social responsibility. With regard to companies 'organisational framework under the new law, the joint-stock companies are free to choose between the one and two-tier system governance model, resembling the Italian company law. under the two-tier system, the company is governed by the Supervisory Board appointed by the General Shareholders meeting, and the Managing Board, appointed by either the General Shareholders Meeting or the Supervisory Board. The optional design of the governing bodies is meant to facilitate business operations. This option offers a combination of two different systems of corporate governance. The one-tier system is found in common law countries (outsider model), while the two-tier system is a distinguishing pattern of the German company law (insider model). In our opinion, the application of this option deserves careful attention in the future as it may result ambiguous, rather than supportive for attracting equity investors, at the cost of equity market development. Information asymmetries, probity of financial statements and different practices of corporate governance deriving from these options, combined with lack of knowledge and experience on corporate governance, might have a counter effect on equity market development.

Another novelty provided by this law is the abolition of the compulsory employee representation in the board. According to the old law, one third of the Supervisory Board had to be appointed by employees. however, there has been no evidence of the application of this provision in the past. The new Company Law stipulates the optional membership of employee

representatives upon agreement between employees and the company management (Art. 21). Nevertheless, in concert with European standards, it foresees a legal obligation for company representatives to inform the Employee Council, and the right of the latter to be informed directly on activities, decisions, policies and strategies that affect employee interests, as well as to issue opinions and recommendations and to get feedback on their addressing (Art. 20).

Another important development is the initiative by the Ministry of Economy, Trade and Energy on encouraging Corporate Social Responsibility (CSR) of economic actors, regulators and decision- making bodies. The project so far is being elaborated by an inter- institutional working group, business actors and other stakeholders. It aims at producing a policy document on further reforms in this field to catch up with EU standards. In the first draft of this document, the Albanian Government stresses its commitment on encouraging CSR as a key element for sustainable competition in the Albanian economy. The draft also contains a preliminary Action Plan resulting from a SWOT analysis of the current state of CSR in Albania.

The European Bank for Reconstruction and Development (EBRD) has conducted an assessment of corporate governance in Albania once the new Company Law entered into force. The assessment highlights improvements, but the law still needs to be harmonised with the EU legal framework, and the capacity of implementing institutions should be improved.

For all these reasons, we are able to conclude that the letter of law establishes a combined insider-outsider model of corporate governance in Albania, focusing on a proper legal infrastructure for a functioning external financial market (equity market).

However, to fully determine a model for Albania, we would need to look at factors beyond the letter of the law, drawing on practical considerations with regard to law enforcement.

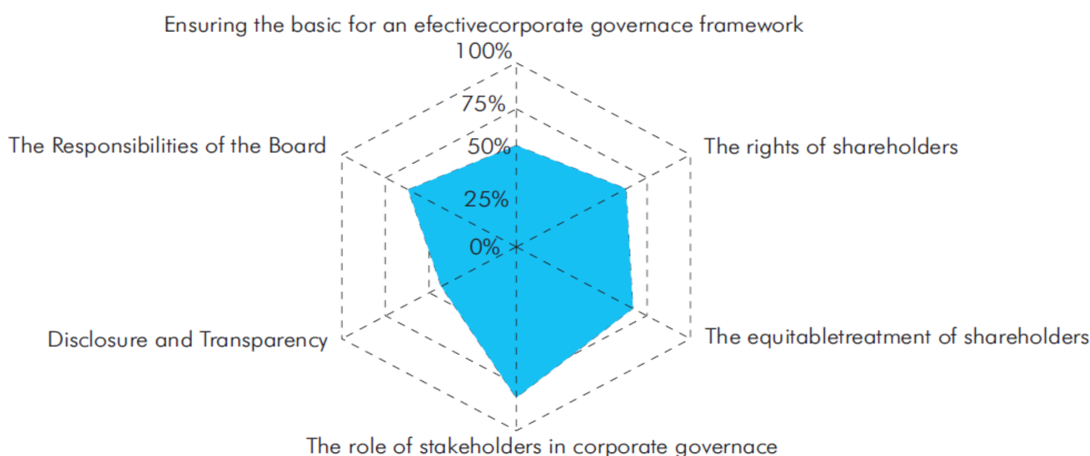
5.1 State of play

As mentioned in the previous sections, a well-functioning financial market contributing to economic growth needs to have sound legal foundations and an effective Rule of Law (Claessens 2003, Shleifler and Vishny 1997). Thus, building a modern legal infrastructure should be parallel to building institutional capacity for effective implementation and an effective judiciary system. Article 70 of the SAA implies that an effective approximation of legislation does not only mean to incorporate the *Acquis* in the national legislation, but also to ensure its effective implementation and enforcement. This obligation is reinforced in Article 78, which focuses on the importance of the consolidation of the Rule of Law, the judiciary system and other enforcement administrative institutions.

With law enforcement practices in mind, our analysis of the corporate governance model in Albania will focus on three equally important determinants: the quality of legal foundations from an effectiveness point of view, the quality of enforcement bodies, and Albanian companies'ownership structure.

The European Bank for Reconstruction and Development (EBRD) has conducted an assessment of corporate governance in Albania once the new Company Law entered into force. The assessment highlights improvements, but the law still needs to be harmonised with the EU legal framework, and the capacity of implementing institutions should be improved. Figure : 1 shows that, despite the legal reforms under way, financial disclosure and transparency, as well as the right of shareholders and treatment of minority shareholders still remain poor. Indeed, these findings are confirmed by the screening process of the European Commission (EC, 2010 and 2011).

Figure 1. Quality of corporate governance and legislation in Albania



Source: EBRD 2010

The quality of financial disclosure, structure of ownership, as well as sound legal environment has a cumulative impact on the functioning of the equity market. Although established since 1996, there is not a single joint stock company out of 725, listed in the TSE (EC, 2011, TSE 2002-2010).

6 The analyze of some Balkan states, concretely Serbia, Romania, Bulgaria and Czech Republic in the field of corporate governance, especially in banking system

The Balkan states, but and transition economies has did a lot in the field of banking system after the changing their comunist systems. They has change the legislation and has implement the effective corporate governance. Let see some states.

6.1 Serbia

The banking system in Serbia is established since 1991; however a fast growth is noticed during the period 2002 onwards with the entering of 18 foreign banks in the local market. The market is expected to continue to develop by further consolidation (EBRD strategy report for Serbia, 2007).

With reference to corporate governance, based on the assessment performed by the EBRD on November 2007, there is noticed not compliance with the OEDC principles despite frequent revision of the regulatory framework on the subject. There is compulsory the two-tier system by defining the existence of a supervisory board and management board. However there are no specifications regarding the composition of these bodies in terms of executive and non-executive directors.

The banks, subject of the research, have 47% of the marker share in terms of assets. All the banks studied, were listed companies, with Supervisory Boards having from 5 to 10 members, Audit Committees with 3 to 5 members (no availability for full data) and management / executive committees with 4 to 6 member. In all cases the chair of the Board of Directors Chairman is separated from the CEO / GM of the Bank.

From the research results that Serbia, according to the yearly assessment of the EBRD report for 2007, has not taken into consideration the principles of OEDC for corporate governance during the Code of CG formulation. However, the local code is based on the principle of the two-tier system, by having compulsory the following bodies established: Assembly of shareholders, Supervisory Board, Managing Board, General Manager and Executive Board.

6.2 Romania

The banking system in Bulgaria, as for the other Balkan countries started its fast development after the year 1994. The penetration of big international groups was aggressive and currently they hold more than 65% of the total market share of the Romanian banking system in terms of assets. The banks selected for the research are 43% of the total banking system in terms of assets. (total banks in Romania are 33).

The corporate governance in Romania is regulated by the Corporate Governance Code that includes main of the principles of OEDC (EBRD Assessment Project for Romania, 2007). The banking system is mainly on-tier system (the duality is optional but not required); however recent changes are performed in this aspect by defining the necessity of the board compositions in terms of executive and non-executive directors.

6.3 Bulgaria

The banking system in Bulgaria has passed through several changes during the last years, especially after the financial crises of 1996-1997. Until that period the banking system was mainly composed by state owned banks, which were privatized and acquired by international groups immediately after this period. The establishment of the Currency Code on 1997 was followed by several introductions of laws and regulations in the field of banking and capital markets until the recent membership of the National Bulgarian Bank in the European Union (2007).

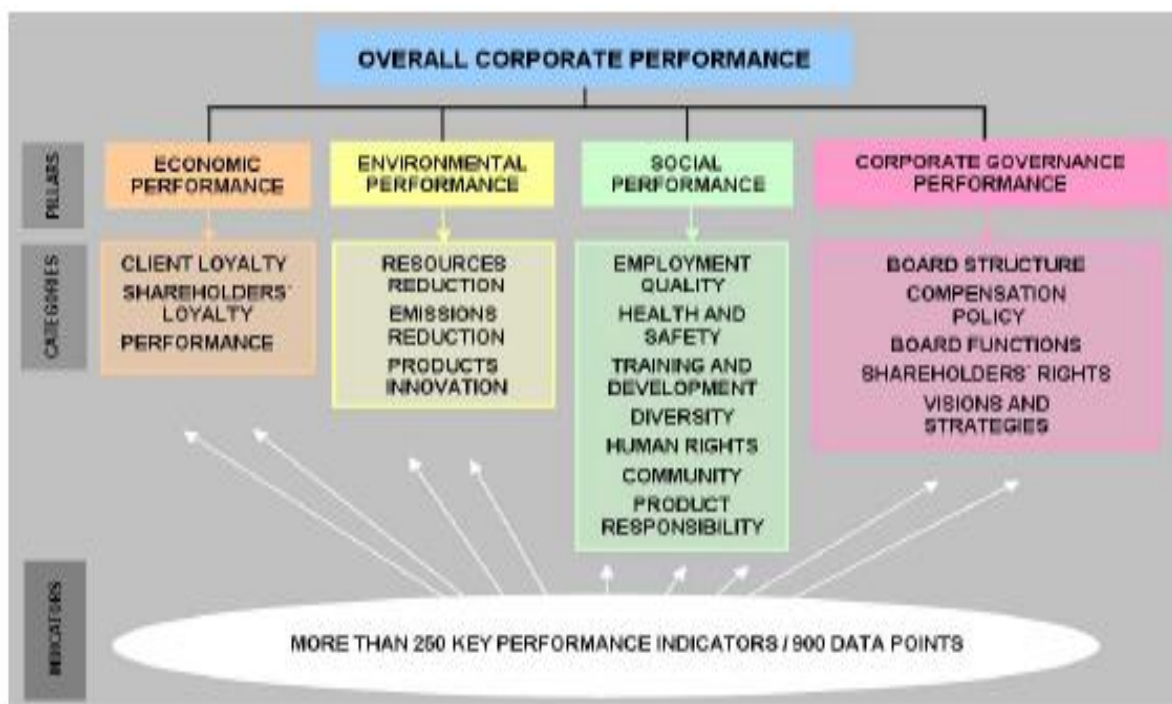
The banking system is mainly oriented towards the two-tier system, with a supervisory board appointed by the shareholders' assembly and the board of directors appointed by the supervisory board members. (EBRD, Law in transition 2009, Corporate Governance in banking, Bistra Boeva).

As common in the other countries in Balkan, most of the assets are owned by foreign banks which had a fast penetration in the local market either by acquiring local banks, or establishing new ones. The banks subject of the research own 75% of the total assets of the banking system.

6.4 Corporate governance in Czech Republic

The development in the field of Reporting in the Czech Republic (CR) reflects the overall global world trends. The available statistics show that through all objective benefits the Reporting can bring to businesses, the existing motivation is not sufficient to make this a normal business practice as compared to the financial accounting and reporting. Below is the structure of overall corporate performance (Figure 2).

Figure 2. Structure of overall performance of company



Source: Greenwald, 2007

7 The financial sector in Albania

Banks are obliged to have a robust internal governance framework, consistent lines of reporting and effective risk identification, management, monitoring and reporting procedures for all the risks to which credit institutions are actually or potentially exposed. The board of directors should take the lead in establishing and approving ethical standards and corporate values for itself and for the bank's senior executive management. The financial market in Albania is dominated by banks, comprising nearly 95% of the sector. Other financial institutions include insurance companies, non-bank financial institutions, saving and loan associations and private supplementary pension funds.

The financial sector has undergone slow and limited reforms. At the beginning of 1990s, the three state-owned banks (Savings Bank, National Commercial Bank, and Rural Bank) had nearly 90% of the deposits, whereas the number of private banks was limited and most were established in the second half of that decade. During the early nineties, the financial system witnessed two important developments: lack of an equities market and increased savings. The latter were mainly a result of high inflows of remittances. Such an environment favoured the emergence of an informal financial market, where companies mainly borrowed from each-other or individuals, usually at higher interest rates than the formal ones. One of the most seriously damaging results of such informality was the emergence of Ponzi schemes, which spread quickly and at a large scale during 1994–96. Favoured by the fact of a largely cash-based economy in Albania, and the lax financial supervision, shady financial companies started taking cash deposits from households, promising them returns of up to 50% per annum.

Fullani (2009) argues that “due to large capital accumulation, these schemes induced consumption beyond equilibrium levels, distorting the savings-investment ratio and impairing the channelling of capital into real investments.” (p. 229).

The flourishing of such schemes confirmed the necessity to strengthen supervisory institutions and free market structures in the country. Based on the severe outcomes of such schemes on the Albanian economy, it is important to thoroughly analyse the reasons behind their establishment. What convinced 2/3 of the Albanian population to trust these shady companies with their money, amounting to nearly half the yearly GDP of 1996 (Jarvis, 1999)? In an analysis of the phenomenon, Jarvis (1999) concludes that the level of poverty and unfamiliarity with the free market economy, the inefficient financial system, and governance issues were the main reasons for the rise and collapse of the pyramids schemes in Albania. he also stresses establishing a well-functioning formal financial system, setting up a regulatory framework that covers informal as well as formal markets and has clear lines of responsibility for supervision and action, and tackling general governance problems. Although preventing Ponzi schemes should not be the primary aim of good governance, “the Albanian experience is a

powerful reminder of the social costs of unchecked criminality" (Jarvis, 1999, p. 6).

7.1 Overview of Banking Sector in Albania

The Albanian banking sector is composed of 16 banks. The presence of the foreign capital is dominant in all banks (Bank of Albania, 2011, p. 77) (subsidiaries of larger groups and branches of foreign banks), such as in Intesa San-Paolo Bank, Raiffeisen Zentrale Bank, Societe Generale, and Credit Agricole. The high degree of foreign ownership has brought the best experiences and banking practices in the financial system, along with modernisation and innovation through high-tech products. More importantly, they have contributed to developing high-standard organizational and corporate governance practices.

The Albanian banks' origin of capital includes countries like Austria, Italy, Greece, and France. According to the Bank of Albania (2011, p. 77), the total assets of the banking sector mount to EUR 7 billion, representing nearly 80% of the GDP in 2010. Sixty four per cent of the total bank assets belong to the largest four banks.

The total outstanding loan portfolio was nearly EUR 3.5 billion, representing 40 % of the GDP in 2010, with the majority of loans denominated in foreign currency (nearly 70%).

Remaining a concern for the banking sector, non-performing loans (NPL) in the second quarter of 2011 reached 16.6% versus 13.6% at the end of 2010. Such a high level of NPL could be "partly explained by institutional and judicial weaknesses that have hampered collateral execution" (IMF, 2011, p. 26).

Total banking system deposits continue to have an upward trend growing by 18% since 2010. Domestic currency deposits are slightly higher than foreign-currency denominated ones (51.2 % vs. 48.8%), while the majority of total deposits is concentrated in a few large banks. Shareholders' equity has increased by 9% in 2010 (Bank of Albania, 2011, p. 77). The banking sector remains well capitalized (EC, 2011, p.26), with a capital adequacy ratio of 15%.

As the Bank of Albania reports, "The country's financial system and banking sector are regarded stable. The banking sector's activity has expanded further and its share to the Albanian economy has increased. Profit indicators have improved relative to the previous period. Capitalization and operating liquidity position is good. The need to improve the loan quality remains the main challenge facing the banking sector. Stress- test exercises show that banks are resilient to assumed adverse economic and financial shocks." (Bank of Albania, 2011, p. 77).

7.2 Capital markets

Capital markets are a relatively new experience for Albania. The Tirana Stock Exchange (TSE) was initially created under the Bank of Albania on May 1996 and ran until February 2002 (TSE, 2002), when it was transformed into a joint-stock company (JSC). Its core activity was trading government T-Bills on the primary (until 1998) and secondary market. The main actors of the securities' market are the Government, who is supplying public debt securities, and financial institutions who create the demand for securities. having only this type of activity, there is not actual securities' trading on the market and there are no listed companies.

The most widely perceived reasons for the non-functioning of the TSE (Tirana Stock Exchange) are the lack of transparency and distorted financial statements for tax avoidance purpose. Therefore, firms' financial needs are mostly met by the banking system and an informal credit market. In contrast with equity financing requirements, banks very often accept to evaluate companies on the basis of unofficial financial statements (the so called "real statements"). As a result, equity financing is not an attractive form of financing for companies in Albania, so long as banks accept unofficial financial data.

8 Corporate governance in Transition economies. Albania as a part of this economies

Corporate governance problems are existent in all countries regardless of their system or their stage of development. however, in countries in transition from a centralized economic system to the market economy, corporate governance issues become particularly important. The centralization of the economy and of social life in post-communist countries seems to be serious hurdles for solid corporate governance.

One of the main common characteristics of these countries is underdeveloped financial markets, which makes banks the main source of financing and gives them a dominant role for economic growth (Arun and Turner, 2004). One might argue that banks might have gained this role due to countries choosing to embrace the insider model of corporate governance when designing their new legal and economic systems during the transition period. Although the insider model argument is possibly true in particular cases, we argue that the stage of development of the capital markets and the special role banks have in such countries is highly influenced by the challenges faced during the transition period.

Because of the lack of private ownership and the perfectly 'monopolistic' state during communist times, these countries have very low levels of investor legal protection, particularly of minority shareholders, which, according to Shleifer and Vishny (1997), is prerequisite for effective functioning of capital markets as an external force to sound corporate governance.

Generally speaking, common law countries like the UK and the USA offer strong legal protection to

investors and have well-developed financial markets as a consequence (Shleifler and Vishny, 1997).

Regardless of the legal system, however, effective law implementation seems to be the biggest common challenge of transition countries. In its White paper on Corporate Governance in South East Europe (SEE), the OECD identifies the weak capacities of SEE judicial systems as one of the major hurdles of effective corporate governance (OECD, 2003). Although legal reforms have brought about high standard legal acts, the judiciary systems seem to be unprepared due to lack of experience, lack of continuous training and insufficient resources. Indeed, insufficient specialized know-how, professionalism and resources, combined with a high level of corruption and lack of independence of judiciary systems, exacerbate the negative outcomes of the 'Rule of Law' absence (Barth, Caprio and Levine, 2002).

In addition to poor investor protection, especially of minority shareholders, the weak reliable financial information and disclosure requirements constitute an additional barrier to equity financing (Arun and Turner, 2004). To Shleifer and Vishny (1997), in transition countries bank debt is a more secure means of financing as compared to equity, since debt is backed by collateral that is easier to valuate.

Furthermore, Arun and Turner (2004) argue that the list of potential problems in transition countries is augmented with concentrated ownership. Coupled with the vague separation of ownership and control, this causes additional agency problems at the expense of minority shareholders. The concentration of ownership is a direct result of either family-based structures, or a slow privatization process in transition economies. Among the most important direct outcomes of the lack of financial markets are: low level of skilled managers in the labour market, inexperienced board members, and political influence in the governance process of companies where the state is a majority shareholder and has dominant control over the company (Mc. Gee and Preobragenskaya, 2004).

All the above-mentioned features of transition economies push for an insider model of corporate governance, regardless of the system designed in the letter of laws (Shleifler and Vishny, 1997). As a result, banks have to cope with a whole new range of agency problems, specific to transition economies, which stem from relationship between corporate governance and banking regulation. This calls for a stronger role of regulatory and supervisory agencies. The latter, acting as agents of public interest in an environment with lack of private external monitoring and market control, have more incentives than judges in enforcing laws and regulations (OECD, 2003).

Based on this theoretical ground, we intend to explore the institutional and legal environment of corporate governance of banks operating in Albania with the main focus on the role of the Board of Directors. For this reason, we analyse the legal arrangements and their enforcement defining the model of corporate governance of companies and, in particular, of banks.

Albania has a new sistem of corporate governance because.Actually we have the necesary codes.The second level banks has implement the corporarate governance very well in oposite of private albanian enterprises and some foreign capital eneterprises.Albanian enterprises are in mos important case family enterprises, more than 70 percent.Important is to implement the CG in all the enetrprises in Albania.In this case we will be equal with european enterprises that has implement the CG in more than 80 percent of cases. Important are factors such as ownership structure, board of directors, outside directors and institutional investor ownership. CG has no distinguish between domestic and foreign ownership.

8.1 Ownership structure

SMEs represent almost 100% of enterprises in the Albanian economy according to the Eu definition of SMEs (Figure 3). They are considered as the main driver of economic growth. however, as shown in Figure 4 and Figure 5, 78.5% of SMEs are single person micro enterprises (physical persons), 17.1% are Limited Liability Companies (LLC), and 0.7% Joint Stock Companies (JSC). Albanian enterprises are mostly family based with a highly concentrated ownership structure and very small size in terms of number of employees and business expansion rate. In the absence of a functional equity market, SMEs finance their activity mostly through internal (informal) sources and bank loans. These factors do not provide enough incentives for owners to produce qualitative financial reports, while keeping away external investors due to very high costs of investments. In most of the cases, banks do not rely on official financial statements when making loan decisions, but they base their judgment on the evaluation of collateral, business plans and information gained through site visits.

Considering such a structure, in December 2011, the Ministry of Economy Trade and Energy introduced The Internal Corporate Governance Code for non-listed companies. The code encompasses the best international practices and is considered as a guideline for effective governance of non-listed companies, through determining the roles and responsibilities, as well as a clear 15 Commission Recommendation (2003/361/EC) concerning the definition of micro, small and medium-sized enterprises, 6 May 2003.

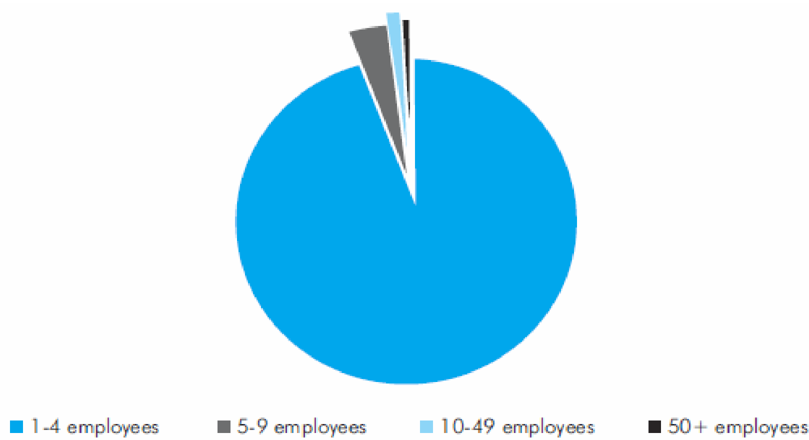
8.2 Legal environment - Rule of Law

Efficient law implementation and an efficient judiciary system remain obstacles for financial market

development and investment quality improvements. More generally, the judiciary system still hinders Albania's progress across all the areas. Its independence, transparency and efficiency suffer shortfalls.In most cases, court rulings are neither fully transparent, nor fully enforced, and the proceedings are delayed. The European Commission points the judiciary system as one of the areas where corruption in Albania is prevalent and the public trust very low (EC, 2007-2011). Among the causes of such problems are insufficient training, suboptimal professional capacities and an inefficient performance appraisal system. Oftentimes, the nomination of judges is subject to political dispute, thus limiting the independence of the system. The enforcement of contracts and legal certainty are yet other problems that often lead to informal methods of contract enforcement.

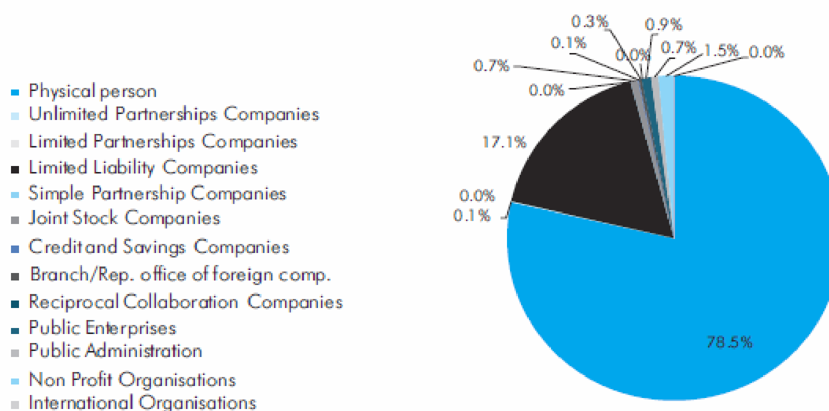
The NRC does not have sufficient power to enforce compliance with the new Company Law (NRC, National Registration Center Albania). Most of the companies have not updated the by-laws, forcing the NRC to postpone the deadline. This delay has led the parliamentary commission to refuse amendment proposals for the company law, e.g. increase of the required paid up capital for joint stock companies. Despite the letter of the law on the model of corporate governance, equity markets are absent in Albania. This absence results in reduced financial sources for expansion and lack of market monitoring with regard to companies management. Bank credit remains the most important formal source of financing, representing 95% of financial sector assets. Consequently, in face of lack of a strong Rule of Law and lack of reliable financial information, the pivotal role of banks in the Albanian economy and highly concentrated ownership indicate an insider corporate governance model in Albania. As a result, sound bank governance and the role of the supervisory authority as the agents of depositors and creditors, ought to be paid more attention.

Figure 3. Active enterprises by number of employees (Share of SMEs)



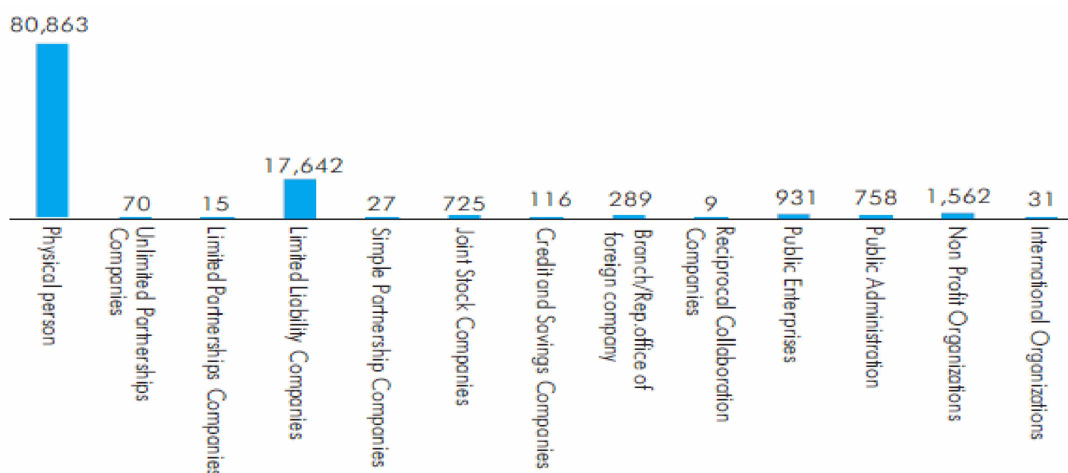
Source: INSTAT 2010

Figure 4. Active enterprises by legal form



Source: INSTAT 2010

Figure 5. Active enterprises by legal form



Source: INSTAT 2010

8.3 The Financial Crisis and Albanian Banking Sector

The recent global financial crisis did not severely affect Albanian banks mainly due to their stage of development, low integration with global financial markets and prudential regulation and supervision by the Bank of Albania (IMF, 2011). however, the banking system witnessed a sharp decline in deposits, mostly owing to the public's perception and memory of the pyramid schemes' collapse in 1997. The deposit portfolio recovered quickly as a result of prudential measures undertaken by the supervisory authority. A post-crisis concern emerged with regard to increasing nonperforming loans (NPLs), from 3% pre-crisis to 16.6% in the second quarter of 2011 (EC 2011, IMF 2011). According to the IMF (2011), such an elevated level of NPLs (Non-Performing Loans) is partly caused by institutional and judiciary weaknesses that have hampered collateral execution and partly by the slowdown in economic activity. however, we believe that high NPLs can be grounded on other factors, including shortfalls in bank governance.

During 2008-2010, as a response to the potential indirect effects of the global financial crisis on the Albanian banking sector, the supervisory authority introduced stricter regulation in cooperation with banks. Corporate governance issues were also part of these new legal measures. In early 2009, the Deposit Insurance Law was amended to increase the amount of deposits insured, resulting effective in restoring public confidence in the banking system. however, the counter-effects it may have induced on banks' risk-taking behaviour have not yet been assessed.

The most important legal novelties with regard to corporate governance were the adoption of a new regulation in 2009, which sets the core principles and rules for a responsible and efficient management of banks and branches of foreign banks and fit-and-proper criteria for bank administrators. These measures also led to the amendment of the Banking Law in November 2011, increasing the minimum number of independent members of the Board from one third to the majority of the Board.

Bank of Albania's heightened focus on banks' corporate governance was introduced in the Medium-Term Development Strategy of Banking Supervision 2009-2014 (Bank of Albania, 2009). One of the challenges of banking supervision is "Capacity improvement of Albanian banks with regard to independent risk management and implementation of the best standards of corporate governance" (Bank of Albania, 2009, p.11). In the same document, the Bank of Albania commits to improve its supervision processes by focusing on direct inspection and assessment of corporate governance of banks, responsibilities of the Board of Directors and other management bodies for risk management and sound business processes.

8.4 Samples of CG in AMC in Albania and Raiffesin Bank

8.4.1 CG in AMC

The highest-ranking governance board of AMC, responsible to take decisions for important corporate issues (according to Law No. 9901, date of 14.4.2008, "On Traders and Trading Companies") is the "General Shareholders Assembly".

The Supervisory Board has the responsibility to ensure that the Company's activities and operations are in compliance with all laws and regulations. It reviews and monitors any actual or potential situations of conflict of interest and compliance with the law. It receives from the Board of Directors all the notices of actual or potential conflict of interest or material interest they may have with the Company. In addition, the Supervisory Board supervises the activity of Board of Directors. The Supervisory Board consists of three

members, who are appointed by the Shareholder's Assembly Meeting. The Supervisory Boards meets at least once every three months.

As described in company's statue, the Board of Directors is responsible and defines the general policies and strategy of AMC as well as supervises operational management and the overall activity of the company. The Board of Directors consists of five members appointed by the Supervisory Board for a three-year term. They can each be reappointed. Board of Directors meetings are held at least once every three months. Wages and other compensation of Board members are defined according to General Assembly decisions.

The Chief Executive Officer (CEO) assumes the primary responsibility for operational management. The CEO is assisted and supported in this operation by the Internal Audit and Compliance Office.

8.4.2 CG in Raiffesien Bank

The term corporate governance implies the responsible management and control of a company aimed at achieving long-term growth in value.

Trusting and efficient cooperation of the various corporate bodies, protection of shareholder interests, and open and transparent communication are the central guidelines for Raiffeisen Bank International in implementing modern corporate governance. As a company listed on the stock exchange, Raiffeisen Bank International is committed to the principles of good and responsible corporate governance as set forth in the Austrian Corporate Governance Code and agrees to comply with them. These remarks on compliance with the Code refer to the new version of the Austrian Corporate Governance Code of January 2012.

8.4.2.1 Transparent Information Policy

Open and transparent communication with shareholders and the interested public is a special concern of Raiffeisen Bank International. We therefore offer extensive information on our website:

- Ad hoc announcements, press releases, and IR mailings
- Stock data: Share price chart and information
- Analyst reports, including PDF files to download
- Ordering and e-mail service: Requesting printed materials and joining the investor relations mailing list
- Financial reports: Interim and annual reports
- Financial calendar: Report publication dates and the annual meeting and dividend payment dates
- Directors' dealings
- Articles of Association of Raiffeisen Bank International as PDF to download
- Facts and figures: Strategy, shareholder structure and data overview

9 Conclusions and Recommendations

In this paper (discusion on Rome Conference) we analyse the corporate governance with focus in corporate governance, especially in financial institutions.

Since there is no comprehensive academic research on this topic in Albania, we first provide a substantial theoretical review of the distinguishing features of prevailing corporate governance models, particularly the ones developed after the global financial crises of 2007-2009. The main motivation of this study is the lack of empirical evidence regarding issues of corporate governance, financial performance and institutional ownership in Albania and some transition economies.Albania has a lot to do in the field of CG.

As we show, regardless of the high standards of the legal framework in Albania, a weak Rule of Law, with special concerns on property rights, legal protection of investors, poor enforcement, as well as corruption, call for a more aggressive role for bank regulators. The latter are expected to have more incentives than judges, since they act and are directly responsible for safeguarding public interest and the financial stability of the country.

An analysis of the Albanian legal framework reveals that the corporate governance model designed in the letter of the law is a combination of the insider and outsider models, following the European union approach. however, the lack of a functioning equity market and other external market forces push for an insider model, with banks providing the main source of financing. In this environment, Albanian banks gain a crucial role in consolidating good corporate governance practices in the market. In addition, given the social and systemic importance of banks in the Albanian economy, the above-mentioned shortfalls (i.e. lack of external forces) call for additional due attention on banks governance.

Albanian banks are governed in an insider model fashion, like other general firms in Albania. however, the model consists of different patterns due to banking regulation and highly concentrated ownership.

Albanian banks are established as JSCs based on the Company Law and on specific requirements of the Banking Law. This mere fact serves as evidence of the complementarities that exists in the relationship between corporate governance practices and banking regulations. While the Banking Law designs internal governance of banks as internal business processes stemming from financial stability concerns, the Company Law stipulates corporate governance principles and requirements from a broader viewpoint, treating banks just as JSCs. We believe that these legal acts, coupled with Bank of Albania regulations, provide a solid basis for enhancing good bank governance. However, given the highly concentrated ownership structure of banks, we conclude that Boards of Directors lack sufficient independence from parent

banks, not even fulfilling legal requirements of the Banking Law. Given this level of independence (or the lack thereof), the lender-of-last-resort and deposit insurance instruments might potentially incentivise shareholders to indulge in high risk-taking. We find that parent banks have beyond reasonable influence in setting long-term performance objectives of their affiliated banks in Albania. This raises questions on whether strategic objectives are based on Albanian market conditions and whether they take into account the public interest. Therefore, we argue that, apart from economic slowdown and shortfalls in collateral execution, the current high and increasing level of NPLs (Non-Performing Loans) in Albanian banking might partially be a result of low independence of Boards and quality of Board membership in general.

In addition to independence, a crucial determinant of good Board performance is their collective knowledge and education, which depends on the harmonization of their qualifications, skills and professional experience. Our analysis reveals that this issue has not been paid the necessary attention and that it lacks enforcement.

We find evidence that the Bank of Albania is increasingly paying more attention to bank governance practices, perceiving the latter as endogenous sources of financial stability, following Basel and Eu guidelines. Such commitment is set forth in the Medium-Term Development Strategy of Banking Supervision 2009-2014 and materialized in numerous regulating interventions during and after the financial crisis. The main focus has been the role and independence of banks' Boards of Directors. However, we find that there is more room for corrective measures, in that the Bank of Albania could be more aggressive in its actions and reforms with regard to implementation of recently introduced legal requirements on Board of Directors' independence. Furthermore, we believe that these actions would provide the necessary conditions for cost- effective banking supervision.

As revealed by the recent global financial crisis, good corporate governance does not rely only on proper legal and regulatory frameworks and on "box checking" implementation assessments. The Bank of Albania should consider other factors that influence the quality of corporate governance, such as human behaviour, implementation practices, and bank-specific patterns. For this purpose, we recommend the development of effective tools and methodologies to thoroughly analyse and correctly measure corporate governance practices. The OECD and IFC provide methodologies that could serve as foundations for designing country -adapted methodologies, more adequate to the Albanian banking sector, and the country's institutional and legal environments.

In terms of recommendations, the most important one is addressed to the enhancement of the corporate governance principles in the Balkan countries complying fully with the OEDC and Basel Committee principles and instructions. In addition, frequent monitoring tools for controlling the application of such principles in the countries should be in place. The fact that these countries are developing countries and with a fast banking system growth for the last years make them more sensitive and difficult to be monitored.

Moreover, banks themselves must be more careful on certain issues like duality and internal control functions. A better definition of reporting and accountability is needed and as well the transparency is required.

In general, the dynamic aspects of corporate governance reform are not yet well understood. Rajan and Zingales (2003a) examine the underlying political economy factors that may drive changes in the legal frameworks over time. They note that the capital markets of many European countries were more developed in the early 20th century (in 1913) than they were for a long period after the Second World War. Importantly, many of these countries' capital markets in 1913 were more developed than the U.S. market at that time. A review of ownership structures at the end of the 19th century in the United Kingdom (Franks, Mayer, and Rossi 2009) shows that most U.K. firms had widely dispersed ownership before they were floated on stock exchanges. And, in 1940 in Italy, the ownership structures were more diffused than in the 1980s (Aganin and Volpin 2005).

In the future all the transition countries has done more in the field of CG, especially after the financial crises of 1998.

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