

## Corporate Governance Rating

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

**Publication Date:** 27/11/2019

**Sector:** Banking

## BANKA KOMBETARE TREGTARE Sh. A.

### Ratings

Overall Score	<b>89.69</b>	AAA(Alb)/a (Positive)
Board of Directors	<b>90.16</b>	AAA(Alb)/aa (Positive)
Auditing, Internal Control, Risk Management	<b>91.00</b>	AAA(Alb)/aa (Stable)
HR and Performance Evaluation	<b>90.52</b>	AAA(Alb)/aa (Stable)
Public Disclosure and Transparency	<b>86.00</b>	AAA(Alb)/a (Stable)
Shareholders Relationship	<b>91.00</b>	AAA(Alb)/aa (Stable)

### Company Profile

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

### Analyst

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Financial Data	2018*	2017*	2016*	2015*	2014*
<b>Total Assets (EURO mn)</b>	3,445	3,066	2,861	2,502	2,266
<b>Total Assets (USD mn)</b>	3,941	3,659	3,019	2,730	2,753
<b>Equity (USD mn)</b>	435	391	350	294	247
<b>Loans to Customers (USD mn)</b>	1,216	1,172	1,007	917	920
<b>Customer Deposits (USD mn)</b>	3,130	2,868	2,348	2,223	2,141
<b>Net Profit (USD mn)</b>	58	59	58	50	44
<b>Market Share (%) <sup>(1)</sup></b>	29.42	27.87	27.23	25.90	24.33
<b>ROAA, pre-tax (%)</b>	1.85	2.09	2.41	2.15	1.95
<b>ROAE, pre-tax (%)</b>	17.04	18.80	21.58	21.78	22.91
<b>Equity/Assets (%)</b>	11.03	10.70	11.58	10.75	8.96
<b>Capital Adequacy Ratio (%)</b>	17.53	14.28	14.08	13.99	15.61
<b>Annual Asset Growth Rate (%)</b>	7.70	21.22	10.58	-0.82	2.87

\* Audited financial statements Based on BoA Reporting Standards

### Bank Overview

Bank Kombetare Tregtare Sh. A. ("BKT" or "the Bank"), all shares of which are owned by the Turkish company Çalık Finansal Hizmetler A. Ş. (Çalık), is the largest bank in terms of total asset, equity and deposit size in Albania, as of October 2019. The Bank was assigned a rating of BBB- on the Foreign Currency scale and AAA on the Local Currency scale along with a Stable outlook by JCR Eurasia Rating on July 22, 2019.

The Bank's origins date back to the first headquarters established in Durrës on November 30, 1925. After the merger of the Albanian Commercial Bank and the National Bank of Albania, BKT acquired its current name in January 1993 as a state-owned bank and transformed into a joint stock company in July 1997. All Bank shares were sold by the Ministry of Finance and approved by the Albanian Parliament to an International Consortium consisting of Kentbank (60%), International Finance Corporation (20%) and European Bank for Reconstruction and Development (20%) in 2000. Çalık Financial Services, which gradually bought all shares of the Bank between 2006 and 2009, currently holds 100% of the shares.

As of September 30, 2019, the Bank carried out its activities with 946 staff and through a branch network of 67 (including 65 branches and 2 agency). The Bank is managed by a Board of Directors that consists of 4 non-executive members, 2 independent members and the CEO.

### Strengths

- Existence of an Audit and a Risk Committees within the scope of the Board
- Existence of a female member in the Board
- Investment to digitalize in field of internal audit, internal control and risk management
- Adequate transparency and disclosure on the Bank's web site in English and Albanian
- Well-educated, internationally experienced and skillful top management

### Constraints

- Absence of a Corporate Governance committee within the scope of the Board
- No performance evaluation system for the Board members
- Nondisclosure of documents related to the shareholder general meetings