

Corporate Credit & Issue Rating

New Update

Sector: Banking

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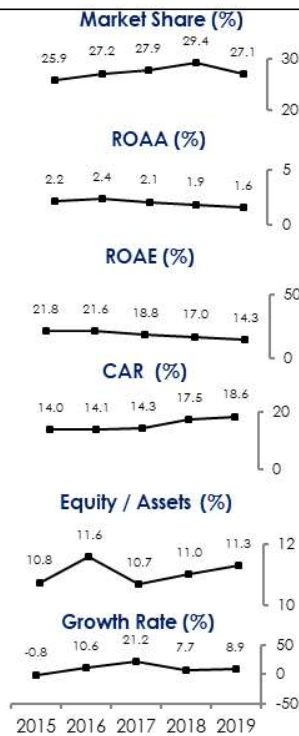
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RATINGS

		Long	Short
International	Foreign Currency	BB+	B
	Local Currency	BB+	B
	Outlook	FC Stable	Stable
		LC Stable	Stable
	Issue Rating	BB+	B
National	Local Rating	AAA (Alb)	A-1+ (Alb)
	Outlook	Stable	Stable
	Issue Rating	AAA (Alb)	A-1+ (Alb)
Sponsor Support	2	-	
Stand-Alone	AB	-	
Sovereign*	Foreign Currency	BB	B
	Local Currency	BB	B
	Outlook	FC Stable	Stable
		LC Stable	Stable

* Assigned by JCR-ER on September 23, 2020



Banka Kombetare Tregtare Sh.A.

Company Overview

Financial Data	2020/6*	2019*	2018*	2017*	2016*
Total Assets (EURO mn)	3,882	3,824	3,445	3,066	2,861
Total Assets (USD mn)	4,347	4,293	3,941	3,659	3,019
Equity (USD mn)	469	485	435	391	350
Loans to Customers (USD mn)	1,178	1,209	1,216	1,172	1,007
Customer Deposits (USD mn)	3,380	3,409	3,130	2,868	2,348
Net Profit (USD mn)	38	56	58	59	58
Market Share (%) ⁽⁰⁾	26.88	27.05	29.42	27.87	27.23
ROAA, pre-tax (%)	n.a	1.60	1.85	2.09	2.41
ROAE, pre-tax (%)	n.a	14.32	17.04	18.8	21.58
Equity/Assets (%)	10.80	11.31	11.03	10.7	11.58
Capital Adequacy Ratio (%)	15.66	18.62	17.53	14.28	14.08
Annual Asset Growth Rate (%)	n.a	8.92	7.7	21.22	10.58

* Audited & consolidated financial statements ⁽⁰⁾ Based on BoA Reporting Standards, excludes Kosovo operations since January 1, 2019

Banka Kombetare Tregtare Sh.A. (referred to as “the Bank” or “BKT”) is a consolidated entity comprising banking operating in Albania, Kosovo and Albania Leasing. The history of the Bank dates back to 1993 in its current name, when it was founded after the merger of the Albanian Commercial Bank and the National Bank of Albania. The Bank is owned by Çalk Finansal Hizmetler A.Ş., a subsidiary of a leading Turkey based conglomerate Çalk Holding A.Ş., which acquired BKT in 2009. As the oldest commercial bank in Albania, the Bank offers a wide range of products and services to the public & private sectors as well as retail banking services for individuals.

The Bank has a leading position in the highly concentrated Albanian banking sector, consistently ranked first with respect to assets and net income. As a systemically important bank in Albania, BKT is well capitalized and maintains sound profitability indicators.

BKT operates principally in the Republic of Albania through 62 branches and 2 custom agencies, in addition to 26 branches in Kosovo, organized under subsidiary BKT Kosovo Sh.A. The group has a workforce of approx. 1,300. As per this periodic review, BKT’s Long Term National Rating is affirmed as **‘AAA (Alb)/Stable’** and its Long Term International LC and FC ratings are affirmed as **‘BB+/Stable’**.

Strengths

- Resilient financial standing with strong liquidity & asset quality
- Strong market position in the Sector with dominant shares in core metrics
- Long-term and diversified deposit base
- Policy and IT infrastructure supported risk management processes and controls
- Established corporate governance policies and implementations, increasing efficiency of internal systems
- Competent and experienced management team

Constraints

- Suppressed interest margins across Europe and Albania,
- Challenging operating environment with high impaired loans, political uncertainties
- Constrained economic outlook due to unforeseen effects of the pandemic on real sector and financial conditions
- Continuity of high credit risk concentration among the top 20 corporate cash loans customers