

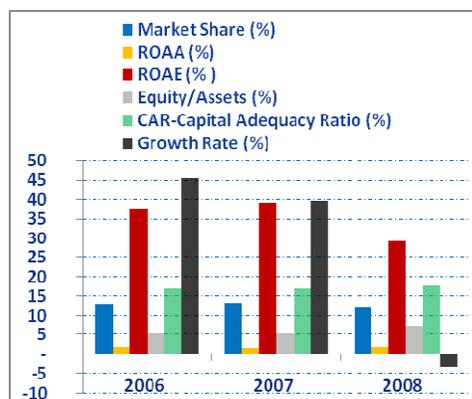
Corporate Credit Rating
Update

Banking

BKT BANKA KOMBETARE TREGTARE		Long-Term	Short-Term
International	Foreign currency	BBB -	A - 3
	Local currency	BB+	B
	Outlook	Stable	Stable
National	Local Rating	AAA (Alb)	A-1+(Alb)
	Outlook	Stable	Stable
Sponsored Support		2	-
Stand-alone		AB	-
Sovereign*	Foreign currency	BB+	B
	Local currency	BB+	B
	Outlook	Negative	Negative

*Assigned by JCR ER on April 17, 2009

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BANKA KOMBETARE TREGTARE SH.A.			
Financial Data	2008*	2007*	2006*
Total Assets (mn EURO)	828.4	815	651
Total Assets (mn USD)	1,161.3	1,200	858
Equity (mn USD)	83.9	65	46
Net Profit (mn USD)	19.5	17.3	11.9
Market Share (%)	12.24	13.40	13.09
Gross ROAA (%)	1.84	1.80	2.05
Gross ROAE (%)	29.33	39.28	37.91
Equity/Assets (%)	7.22	5.38	5.31
CAR-Capital Adequacy Ratio (%)	17.78	17.02	17.16
Growth Rate (%) (USD)	-3.20	39.86	45.66

*End of year

Overview

Banka Kombetare Tregtare Sh.A. (BKT) is a reputable commercial bank offering a wide range of financial products and services to state and privately owned enterprises as well as individuals, primarily in the Republic of Albania and also within other operating regions. The Bank was established as a state owned bank in 1993 following the merger of the Albanian Commercial Bank and the National Bank of Albania. The Bank completed its privatization process in the year 2000, and ranked third amongst the country's banking institutions at the end of FY2008.

Shareholding structure of the Bank was marginally altered during the year as Şekerbank's proportion in the Çalık-Şeker Konsorsiyum Yatırım A.Ş. (main shareholding consortium of the institution) was fully bought by Çalık Holding A.Ş. towards the end of FY2008; shareholders now comprise Çalık Finansal Hizmetler A.Ş. (60%), International Finance Corporation (IFC) (20%) and European Bank for Reconstruction and Development (EBRD) (20%).

BKT operates as a commercial bank, with a network of 52 branches/agencies in Albania and 10 branches in Kosovo at the end of FY2008. Expansion plans during FY2009 include 10 new branch operations; 7 within Albania and 3 in Kosovo.

With its significant dependence on the financial health of the countries within the EU Zone, the Albanian economy is faced with signals of financial depression as the world's largest economies battle further meltdown. Financial institutions within the country have been greatly affected due to this economic slowdown.

Strengths

- Previously only ROAA and ROAE, however now all profitability ratios are over those of the sector
- High level of available liquidity
- Deposit structure primarily composed of long term and well spread retail deposit accounts
- Generated funds from the Bank's balance sheet have crucial importance on growth
- One of the top three banks in Albania with an established franchise
- International financial institutions, IFC and EBRD are shareholders of BKT, with significant minority rights
- The management team and the past performance of the bank gives confidence to investors and customers
- The majority shareholders also own Albtelecom, which offers prospect for growth in retail business

Constraints

- Market share has decreased
- While the sector displayed positive growth rate, BKT underwent a negative growth for the year
- Increasing trend in non-performing loans, low provisioning against NPL
- Substantial proportion of assets (almost 36.17%) have been invested in treasury bills and investment securities of the Albanian Government (rated BB+)
- Concentration of the wholesale trade and construction sectors in the corporate portfolio (23%, 19%) and home loans in the retail portfolio (81%)
- Main competitors in the peer group belong to major banking groups which operate in the EU countries, with international presence and expertise
- Market and Operational risks are not included in CAR calculations as Basel II not yet implemented in Albania

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