

Corporate Credit Rating

Banking

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

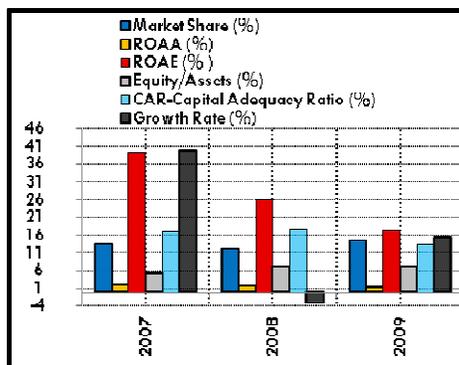
*Assigned by JCR ER on March 23, 2010

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Strengths

- BKT displayed 15.39% growth rate as compared to sector contraction
- High level of liquidity
- Deposit structure primarily composed of long term and well spread out retail accounts
- Customer deposit and funds generated from the Bank's balance sheet have crucial importance on overall growth
- Second largest bank in Albania with a market share of 14.43% and with respect to the branch network
- High customer confidence with an established franchise
- The management team and the past performance of the Bank gives confidence to investors and customers
- The owner of the BKT also owns Albtelecom and Eagle Mobile, which offers prospect for growth in retail business

Constraints

- Profit and profitability ratios declined
- Though below the sector average, an increasing trend in non-performing loans and low provisioning against NPL
- Substantial proportion of total assets have been invested in treasury bills and securities issued by the Government of Albania (rated BB)
- Concentration of the mortgages in retail portfolio
- Main competitors in the peer group are owned by major EU banking groups, with international presence and expertise
- Market and Operational risks are not included in CAR calculations as Basel II is yet to be implemented in Albania

BANKA KOMBETARE TREGTARE SH.A.				
Financial Data	2009*	2008*	2007*	2006*
Total Assets (mn EURO)	932.8	828.4	815.3	651.2
Total Assets (mn USD)	1,340.0	1,161.3	1,199.7	857.8
Equity (mn USD)	94.7	83.9	64.6	45.6
Net Profit (mn USD)	13.9	17.0	17.30	11.9
Market Share (%)	14.43	12.28	13.40	13.09
Gross ROAA (%)	1.23	1.66	2.10	2.05
Gross ROAE (%)	17.30	25.92	39.28	37.91
Equity/Assets (%)	7.06	7.22	5.38	5.31
CAR-Capital Adequacy Ratio (%)	13.24	17.78	17.02	17.16
Growth Rate (%) (USD)	15.39	-3.20	39.86	45.66

*End of year

Overview

Banka Kombetare Tregtare Sh.A. (BKT), a licensed commercial bank, operates with a network of 56 branches/agencies in Albania and 12 branches in Kosovo at the end of FY2009. It was incorporated 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. 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 Republic of Kosovo.

The Bank has shown a remarkable growth rate of 15.39% during FY2009 (FY2008: -3.2%) in comparison the year before while the Banking sector and its peer group shrunk by 2.51% and 7.60%, respectively. The Bank has climbed to the second position with respect to its total asset base at the end of FY2009 from third position amongst the country's banking institutions at the end of FY2008. However, the Bank has not shown similar improvement in its profitability indicators. While asset size growth posted was 15.39%, net profit of the bank decreased by 18.17% at the end of the year. Though the Bank has recorded positive asset growth compared to both the sector and peer group, negative movement in its profitability has unfortunately been greater than competitors in the peer group.

Board of Directors and Shareholding structure of the Bank was altered during the year. Shareholding previously owned by International Finance Corporation (IFC) (20%) and European Bank for Reconstruction and Development (EBRD) (20%) were bought by Çalık Finansal Hizmetler A.Ş. As a result, 100% ownership of the Bank now resides with Çalık Finansal Hizmetler A.Ş.