

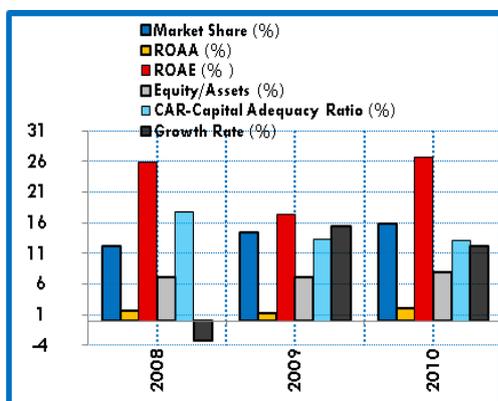
Corporate Credit Rating

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
Sponsor Support		3	-
Stand Alone		AB	-
Sovereign*	Foreign currency	BB	B
	Local currency	BB	B
	Outlook	Stable	Stable

*Assigned by JCR ER on February 25, 2011

Analyst: Şevket GÜLEÇ/ +90 212 352 56 73
sgulec@jcravrasyaratina.com.tr



Strengths

- Remarkable increase in all profitability ratios,
- Significantly higher asset size growth over the sector in the last two years period,
- Broad deposit customer base with a 290 days average maturity eases liquidity management,
- 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 15.62% and with respect to the branch network,
- High customer confidence with an established franchise,
- Group Companies Albtelcom and Eagle Mobile offers prospect for growth in retail business,
- Continuity and consistency in executive management,
- High level of transparency.

Constraints

- Accelerating trend in non-performing loans, though below the sector average,
- Low provisioning against NPL,
- Decrease in capital adequacy ratio and this ratio falls below the sector average,
- 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	2010*	2009*	2008*	2007*	2006*
Total Assets (EURO mn)	1,124.7	932.8	828.4	815.3	651.2
Total Assets (USD mn)	1,502.9	1,340.0	1,161.3	1,199.7	857.8
Equity (USD mn)	118.7	94.7	83.9	64.6	45.6
Net Profit (USD mn)	25.5	13.9	19.5	17.3	11.9
Market Share (%)	15.62	14.43	12.28	13.40	13.09
Gross ROAA (%)	2.00	1.23	1.66	2.10	2.05
Gross ROAE (%)	26.62	17.30	25.92	39.28	37.91
Equity/Assets (%)	7.90	7.06	7.22	5.38	5.31
CAR-Capital Adequacy Ratio (%)	13.06	13.24	17.78	17.02	17.16
Growth Rate (%) (USD)	12.15	15.39	-3.20	39.86	45.66

*End of year

Overview

Banka Kombetare Tregtare Sh.A. (hereinafter referred to as "the Bank" or "BKT") was incorporated as a state owned bank in January 1993, after the merger of the Albanian Commercial Bank and the National Bank of Albania although its first branch was opened on 30 November 1925. As a reputable commercial bank, BKT offers 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.

BKT is the second largest commercial bank with a total of USD 1.5 billion in asset base and USD 1.31 billion in deposits, operating in the corporate, commercial and retail banking scopes, with its widespread network of 57 branches/agencies in Albania and 15 branches in Kosovo at the end of FY2010. The Bank employed 922 staff members as of December 31, 2010, out of which 171 employees belong to the Kosovo branches.

Contrary to the previous year, net profit and profitability ratios of the Bank markedly increased. In comparison with Albanian's overall banking system, in almost all major fields, BKT has shown better performance. BKT exhibited 12.15% asset size growth and increased its asset size market share to 15.62% from 14.43%. In the same period Albanian banking sector recorded a modest growth of 2.97%, allowing BKT to successfully reinforce its second rank position. Despite these positive developments, non-performing loans of the bank rapidly increased. However NPL ratio of the bank is still lower in comparison to the whole banking sector.