

Corporate Credit & Issue Rating

New Update

Sector: Banking

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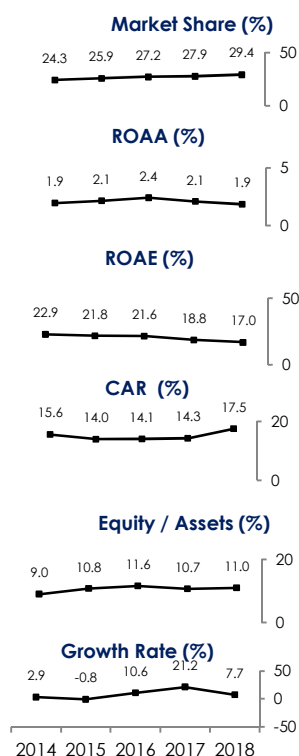
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RATINGS

		Long	Short
International	Foreign Currency	BBB-	A-3
	Local Currency	BBB-	A-3
	Outlook	FC Stable	Stable
		LC Stable	Stable
	Issue Rating	BBB-	A-3
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 June 18, 2019



Banka Kombetare Tregtare Sh.A.

Company Overview

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

* Audited financial statements ⁽¹⁾ Based on BoA Reporting Standards

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 Çalık Finansal Hizmetler A.Ş., a subsidiary of a leading Turkey based conglomerate Çalık 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 65 branches and 2 custom agencies, in addition to 27 branches in Kosovo, organized under subsidiary BKT Kosovo Sh.A. The group has a workforce of approx. 1,300.

Strengths

- Strong financial soundness indicators with respect to capitalization, liquidity profile and profitability
- Leading position in the Sector via core banking indicators
- Favourable maturity profile of the deposit base, which is well diversified
- Policy and IT infrastructure supported risk management processes and controls
- Comprehensive corporate governance policies and implementations, increasing efficiency of internal systems
- Qualified management team with high tenure and experience

Constraints

- Slow loan growth in the Sector, limiting lending activities and increasing competition
- Challenging operating environment with high impaired loans, political uncertainties
- Bank of Albania’s decision to curb foreign underwriting, limiting additional loanbook growth
- Constrained economic outlook in European Union countries, potentially affecting Albanian economy via current account and capital flows
- Continuity of high credit risk concentration among the top 20 corporate cash loans customers