

INFORMATION FOR BKT WEBSITE BASED ON THE PRINCIPLES OF CORPORATE GOVERNANCE

Updated as at 30 September 2020

1. Profit distribution policy

The decision-making mechanism of the profit distribution at Banka Kombetare Tregtare ('BKT' or 'the Bank') consists of the recommendation made by the Board of Directors and approval taken by the General Meeting of Shareholders.

The General Meeting of Shareholders in BKT is held at least once in a year, aiming to approve the financial statements of the Bank and decide on the allocation of the profit for the last financial year ended.

Based on the decisions of General Meeting of Shareholders, all the profits realized by BKT during 2000-2015 financial years are capitalized to equity and are used by the Bank to maintain the continuous expansion of balance sheet and boost the profitability.

On 30 March 2017 the Bank performed the first dividend payment to its Shareholders.

The General Meeting of Shareholders has been held twice during 2020, on April 1st and July 29th, 2020.

The General Meeting of Shareholders held on 1 April 2020 approved the resolution no.2 as follows:

“That the statutory and IFRS financial statements audited by “Grant Thornton” ltd, for the financial year ended December 31, 2019 be approved”.

That, as per the recommendation of the Board of Directors, the statutory net profit of BKT Albania for year 2019: Lek 6,634,125,622 be allocated as follows:

- a) Part of the net profit: Lek 331,706,281 will be used for creating obligatory reserve, as per the Law No. 9901, dated 14.04.2008 “On traders and commercial companies”;
- b) Part of the net profit: Lek 1,326,825,124 will be used for creating general reserve, as per the Bank of Albania regulation No. 69, dated 18.12.2014 “On Bank Regulatory Capital”;
- c) The accumulated retained earnings from year 2018 amounting to Lek 1,181,869,048 and part of the net profit of year 2019 amounting to Lek 3,480,530,952, totalling Lek 4,662,400,000 an equivalent of USD 40,000,000 by the Bank of Albania exchange rate as of today, USD 1.00 = Lek 116.56, will be used to distribute as dividends to Çalik Finansal Hizmetler A.S., as sole Shareholder of BKT. This amount will be paid with value date 4 May 2020.
- d) The remaining part of the net profit: Lek 1,495,063,265 will be kept as retained earnings.

According to the resolution no.7 “Grant Thornton” sh.p.k. was appointed as the external auditor of the Bank for the financial year ending 31 December 2020.