

# BANK PRESENTATION

Banka Kombëtare Tregatë Kosovë Sh.A.

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# REPUBLIC OF KOSOVA

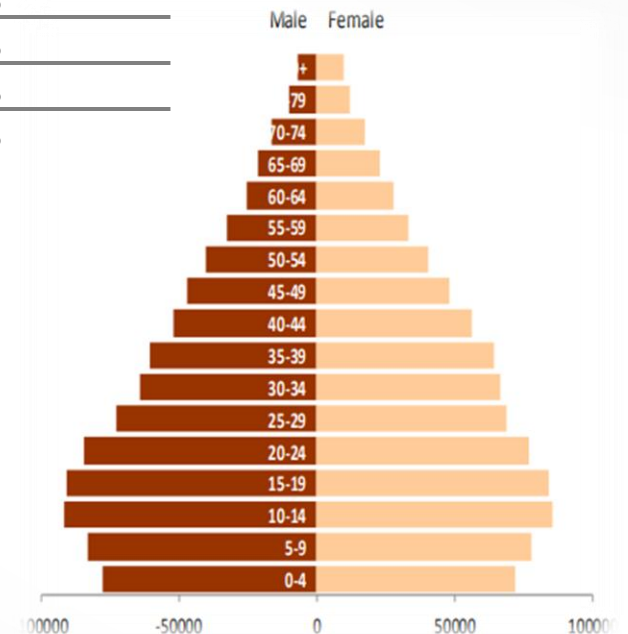
- A parliamentary republic which declared independence on February 17, 2008.
- Country is recognized as an independent country by 117 countries.
- Kosova is a potential candidate for EU membership, a process that was accelerated with the signing of Stabilization Association Agreement in October 2015, in force since April 2016.
- Although Kosova is not an official Eurozone member, Kosova unilaterally adopted the “euro” as its currency in 2002 when it was a UN mandate.
- Kosova joined;
  - The World Bank and International Monetary Fund in June 2009,
  - European Bank for Reconstruction and Development in 2012,
  - The Council of Europe Development Bank in 2013.



# DEMOGRAPHIC INFORMATION

Kosova	2021
Population, million*	1.80
GDP Growth* ('2021)	10.75%
GDP, nominal € million*	7,958
GDP per capita, €**	4,216
Life Expectancy at Birth, years	72.4
Average age	30

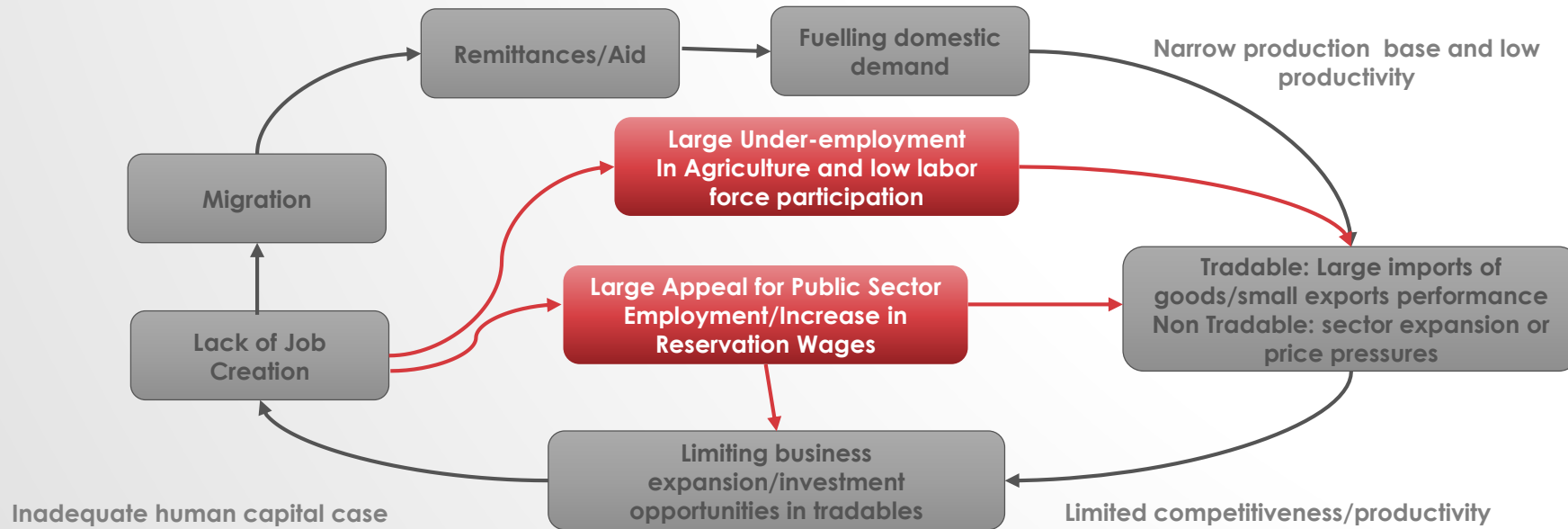
International Migration By Country		Remittances by Country
Germany	35%	38.9%
Switzerland	23%	17.9%
Italy	7%	4.5%
Austria	6%	5.4%
Sweden	5%	2.4%
USA	4%	8.4%
France	3%	3.8%
England	3%	2.1%
Belgium	2%	3.0%
Slovenia	2%	0.8%
Other	10%	7.2%



Sources: Central Bank of Kosovo (CBK)  
 \*Kosovo Agency of Statistics  
 \*\*World Bank Data (2021)

# ECONOMIC INDICATORS: “GDP”

- Kosova economy grew by 10.75% in 2021 and 2.1% in Q2'22:
  - The contribution of export of goods and services to GDP growth was 17.0% points, consumption 7.7% points and investments 3.4% points.
  - The consumption oriented growth is buoyed by sizable remittances and foreign aid flows;
    - ✓ Remittances numbering roughly a third of population of the country; in 2021 remittances recorded annual growth by 17.7% reaching 14.8% of GDP, reaching the value EUR1.15 bn. On Q2'22 the value of remittances reached EUR 555.5 mn.
- Kosova attracted EUR 415.3 million direct investments in 2021 corresponding an annual growth of 20.1%. Q2'22 the value of FDI reached EUR 210.8 mn.



Source: Central Bank of Kosovo (CBK)

**BANKA KOMBËTARE TREGTARE KOSOVË SH.A.**

# ECONOMIC INDICATORS “FISCAL POLICY”

- The fiscal deficit as of 2021 was 8.6%
  - Headline macro-fiscal policies are stable,
  - The stock of public debt is low but has been increasing in recent years.
- Public debt in 2021 reached EUR 1.7 billion which is estimated at 23.3% of GDP (22.4% in 2020);
  - The lowest debt level in Western Balkans,
  - Offering room to borrow on concessional terms for productive investments,
  - One third of this debt is external, mainly from international financial institutions.
- Fiscal policy is supported by a healthy banking sector.

# ECONOMIC OUTLOOK

- Incentives for investment in Kosova;
  - Youngest population in Europe which is exposed to Western European and has higher linguistic standards,
  - Low corporate tax,
  - Access to EU and CEFTA markets,
  - Euro is official currency of the country though it is not an official Eurozone member,
  - Government with low debt and low contingent liabilities in terms of pension and other social welfare transfers,
  - Rapidly developed information and communications technology,
  - Broadband internet penetration compared to EU average,
  - Healthy and well capitalized banking sector.
  - Natural resources: coal, zinc, lead, ferro-nickel and fertile agricultural land.

# GDP GROWTH

GDP Growth Rate % (constant prices)		Realizations						Projections		
Country	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Kosova	5.57	4.83	3.41	4.76	-5.34	10.75*	2.70	3.50	3.90	3.90
Albania	3.32	3.80	4.02	2.09	-3.48	8.52	4.00	2.50	3.20	3.20
Bosnia and Herzegovina	3.15	3.18	3.74	2.83	-3.12	7.55	2.45	2.00	3.00	3.00
Bulgaria	3.04	2.76	2.69	4.04	-4.39	4.18	3.94	2.97	4.05	2.85
Croatia	3.53	3.41	2.90	3.48	-8.10	10.24	5.90	3.50	3.00	2.90
North Macedonia	2.85	1.08	2.88	3.91	-6.11	3.96	2.69	3.01	3.85	3.84
Montenegro	2.95	4.72	5.08	4.06	-15.31	13.04	7.20	2.50	3.00	3.00
Romania	4.70	7.32	4.48	4.19	-3.75	5.88	4.80	3.08	3.78	3.52
Slovenia	3.19	4.82	4.45	3.45	-4.32	8.21	5.71	1.67	2.97	2.98
Serbia	3.34	2.10	4.50	4.33	-0.95	7.39	3.51	2.70	3.50	4.50

IMF-WORLD ECONOMIC OUTLOOK DATABASE OCTOBER 2022

Source: Central Bank of Kosovo (CBK)

**BANKA KOMBËTARE TREGTARE KOSOVË SH.A.**



# GOVERNMENT DEBT TO GDP

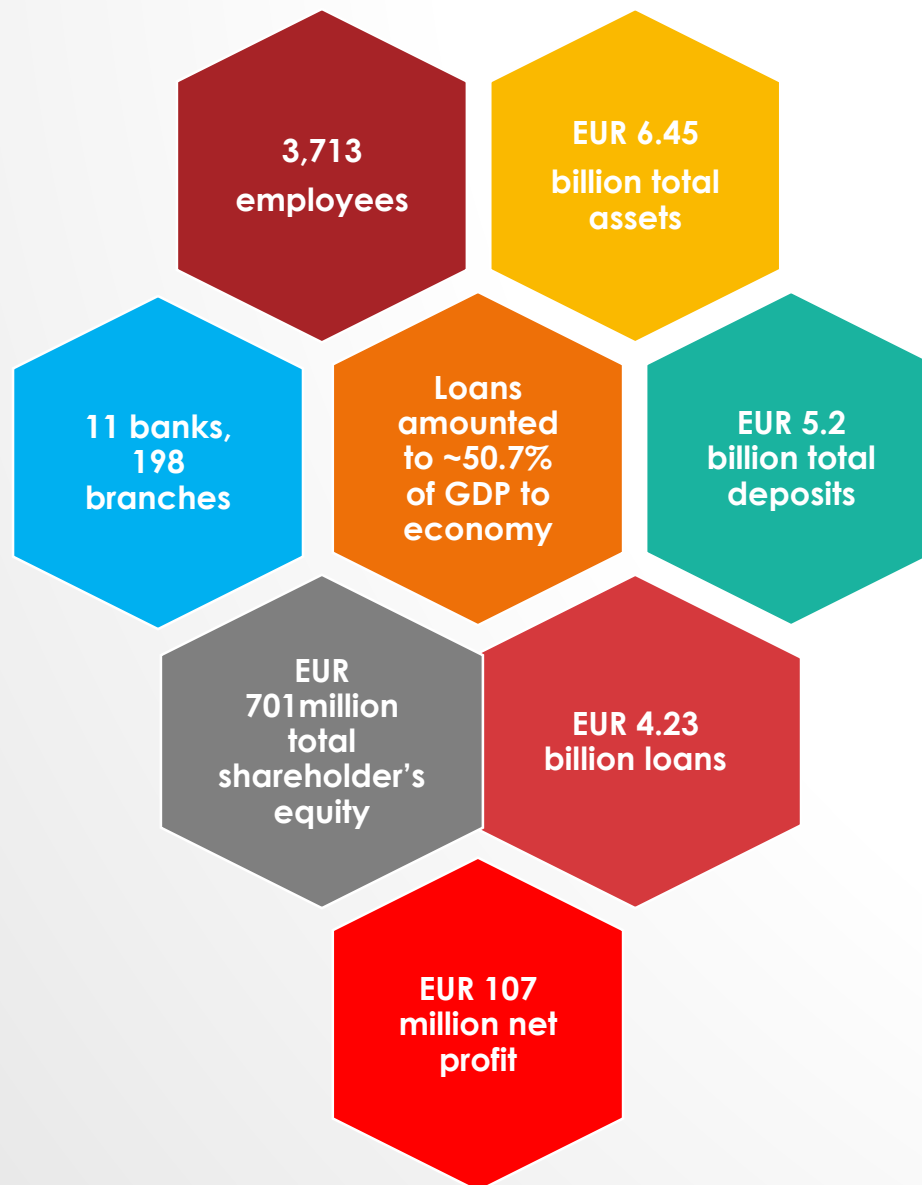
Gov. Debt to GDP %	Realizations							Projections		
Country	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Kosova	14.47	16.38	17.14	17.67	22.49	22.41	21.13	21.99	22.93	23.80
Albania	73.32	71.9	69.47	67.29	75.93	73.85	70.28	70.15	68.49	66.79
Bosnia and Herzegovina	44.08	37.95	34.27	32.53	36.53	35.43	31.8	29.3	27.87	27.15
Bulgaria	27.00	22.91	20.07	18.31	23.30	23.83	22.82	25.16	26.90	28.78
Croatia	79.81	76.66	73.33	71.13	87.34	79.79	72.58	68.56	65.91	63.50
North Macedonia	39.81	39.38	40.43	40.45	51.88	53.2	53.8	51.44	52.12	52.45
Montenegro	66.39	66.21	71.89	78.79	107.3	86.64	74.41	70.6	70.93	73.22
Romania	38.95	36.84	36.47	36.8	49.64	51.39	49.65	51.65	52.87	54.22
Slovenia	78.52	74.15	70.29	65.42	79.59	74.43	69.53	66.66	63.65	61.75
Serbia	70.40	60.09	55.58	53.64	58.71	57.85	54.41	50.26	47.27	45.23

IMF-WORLD ECONOMIC OUTLOOK DATABASE OCTOBER 2022

# KOSOVA BANKING SECTOR (SEP '22)

- 11 banks: 9 are foreign owned. No state owned bank, all private;
- International banks include: Raiffeisen, NLB, ProCredit, TEB(BNP Paribas) and Ziraat Bank;
- High concentration: top three banks with 52.4% of total assets;
- Total asset size: EUR 6.45 billion, securities comprise 11% of total assets;
- Total shareholder's equity: EUR 701 million;
- Total banking system net profit: EUR 107 million;
- Gross loans/GDP ratio: ~50.7%\*;
- Gross Loans/banking assets ratio: 68.1%;
- Loans/deposits ratio: 81.1%;
- Liquid assets/total short-term liabilities ratio: 35.1%;
- High CAR of 15.8%, with low NPL ratio at 2.1%;
- High ROAA of 2.5% and ROE of 19.8%.

# KOSOVA BANKING SECTOR AT A GLANCE (SEP '22)



# ÇALIK HOLDING A.Ş.



1981  
Origin of textile operations



1987  
Çalık Denim established



1995  
Operations in energy sector  
start with Gap Enerji



1996  
Gap İnşaat established



1997  
Çalık Holding established



2012  
Yepaş Elektrik established



2010  
Lidya Madencilik launches  
mining operations.  
Yedaş Elektrik acquired.  
Çalık Gayrimenkul  
established



2006  
Albania BKT acquired



1999  
Aktif Bank established



2013  
Aras Elektrik established.  
Kosova Keds Electricity acquired.



2015  
Çalık Enerji and Mistubishi  
Corp.  
launch strategic and equity  
cooperation

# ÇALIK HOLDİNG A.Ş.



Energy



Construction



Banking & Finance



Mining



Textiles



Digital

**30+**

COUNTRIES

**6**

SECTORS

**14,000+**

EMPLOYEES

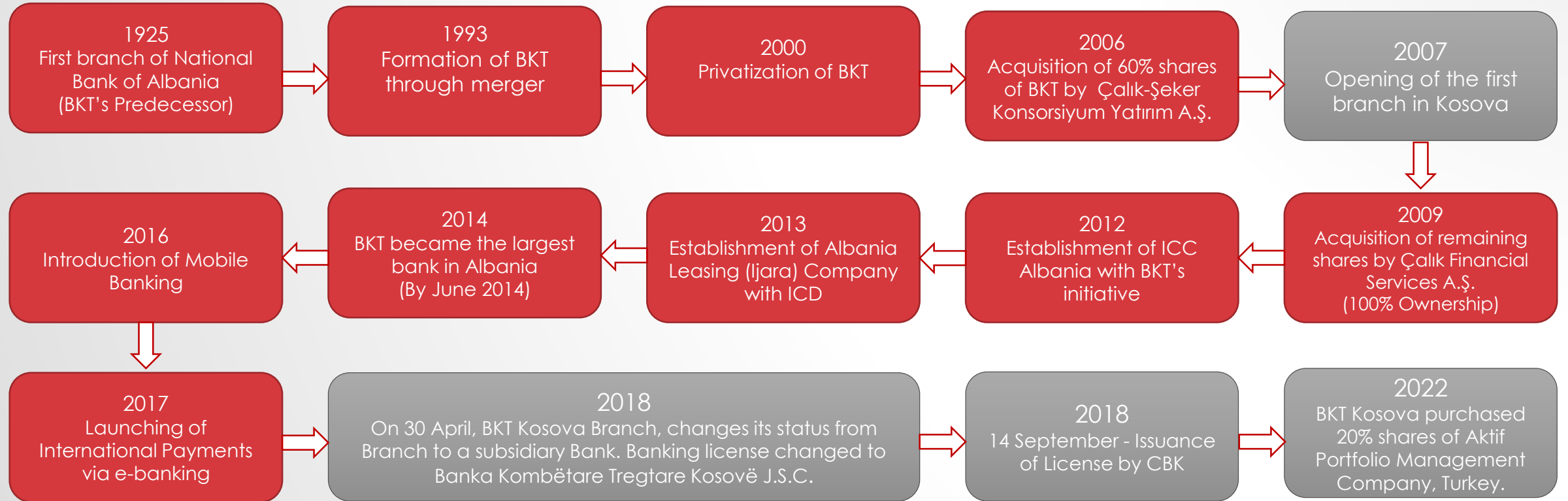
**2.2 BILLION USD**

REVENUES

**532 MILLION USD**

EBITDA

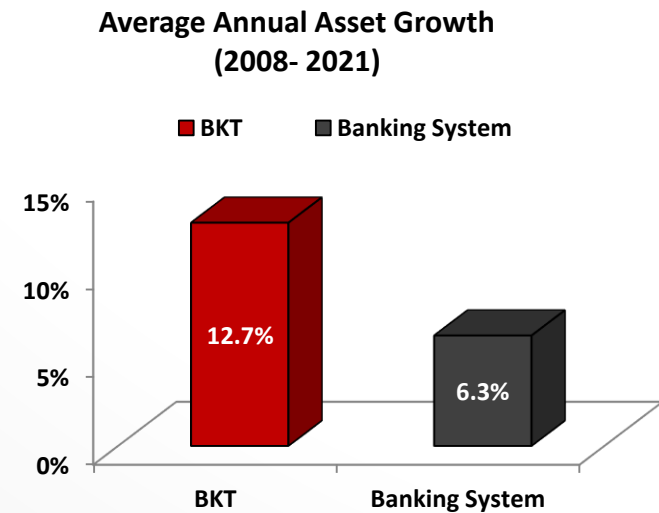
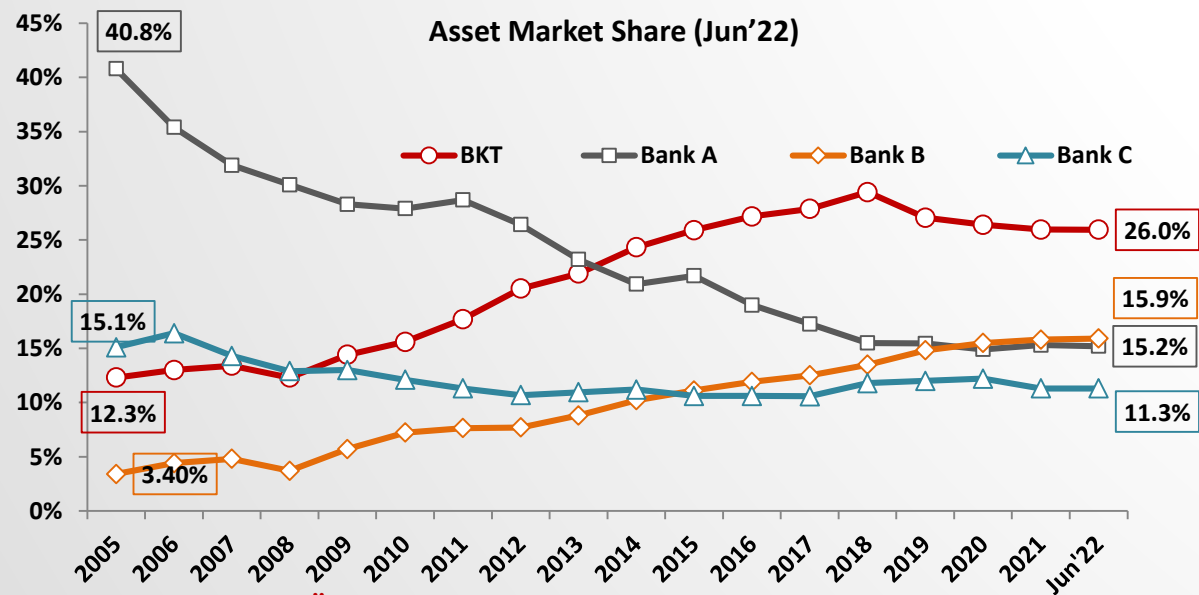
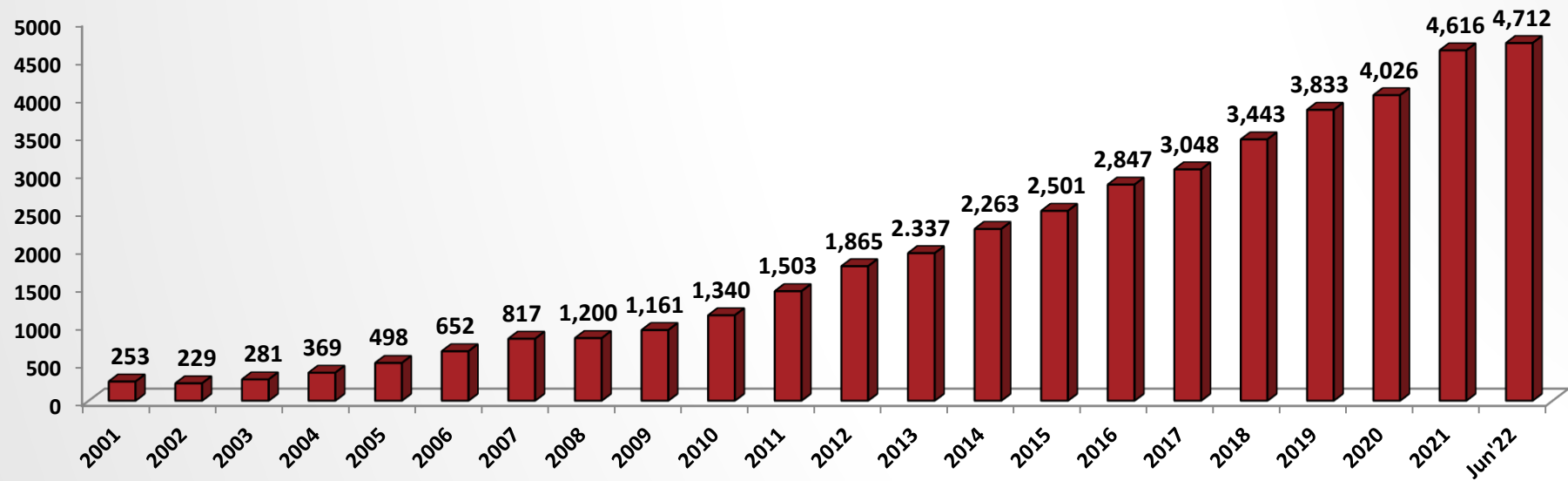
# BKT'S HISTORY MILESTONES



## Shareholder's Structure

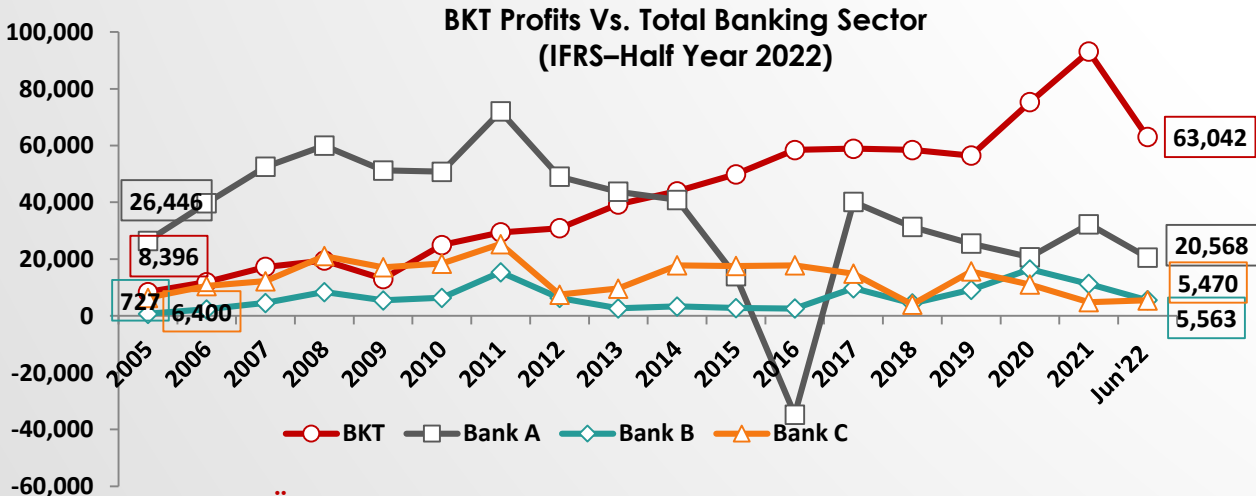
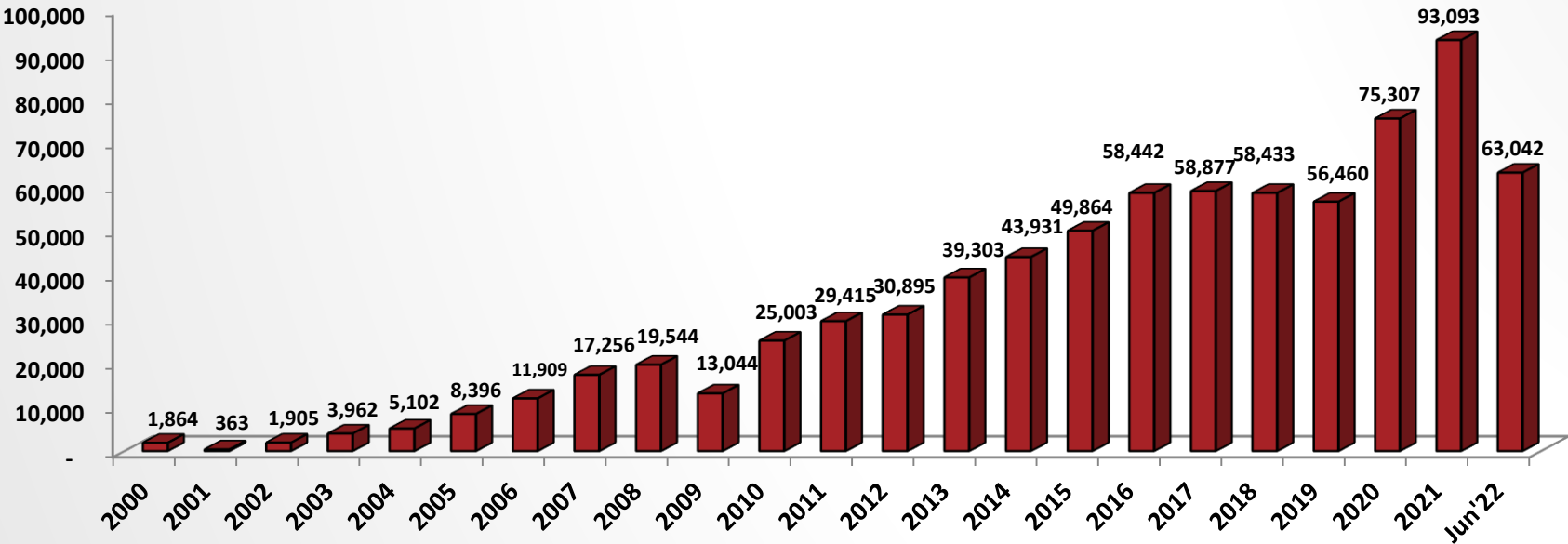
- Banka Kombetare Tregtare Sh.A., Albania, 100%
- Banka Kombetare Tregtare Sh.A is part of Çalik Holding A.Ş.

# BKT ALBANIA ASSETS (EUR MILLION)

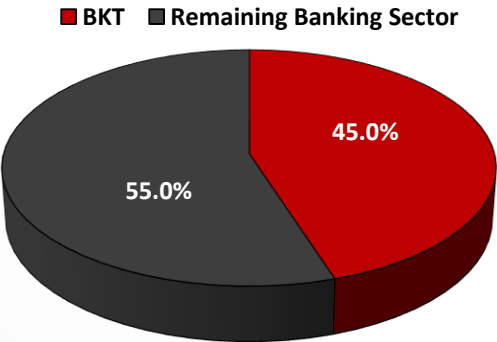




# BKT ALBANIA NET PROFIT – IFRS (US\$ '000)



BKT Profits Vs. Total Banking Sector (IFRS–Half Year 2022)

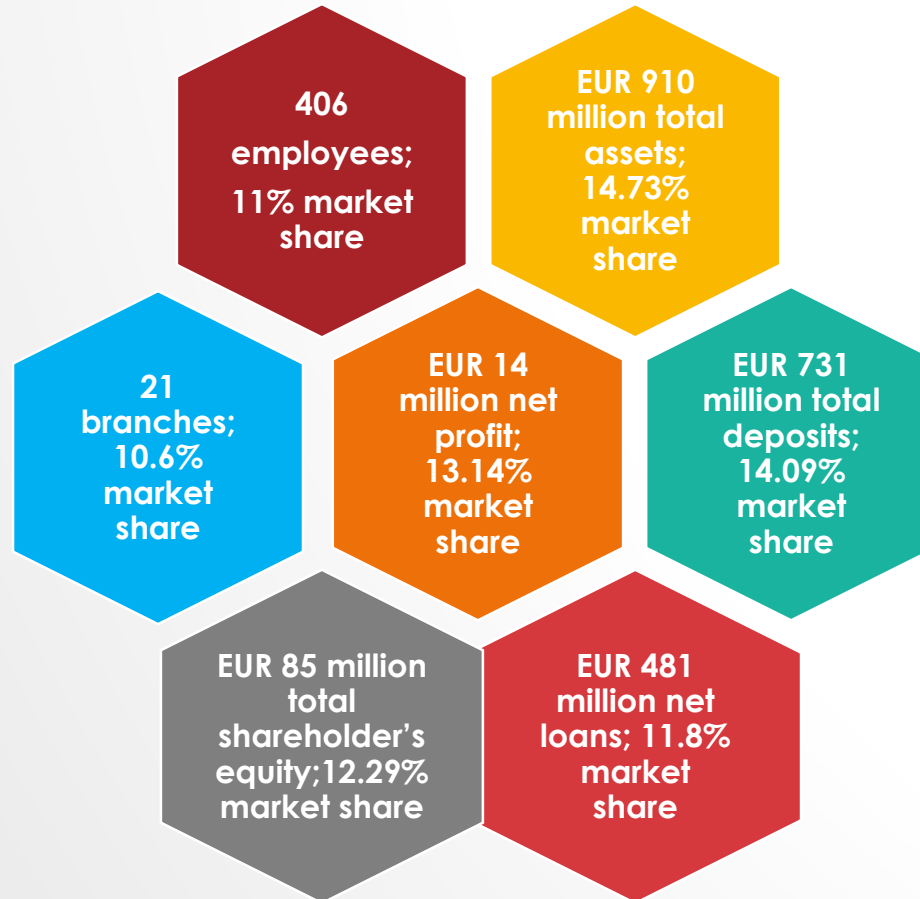




# BKT KOSOVO FINANCIAL FIGURES (SEP '22)

- 21 branches in 14 cities;
- Total asset size: EUR 910 million;
- Total gross loans amount: EUR 494 million;
- Total deposits amount: EUR 731 million;
- Total shareholder's equity: EUR 85 million;
- Net profit: EUR 14 million;
- Gross loans/total assets ratio: 54.33%;
- Loans/deposits ratio: 67.64%;
- Liquid assets/total short-term liabilities ratio: 30.57%;
- Cost to Income Ratio: 35.20%
- CAR of 14.76% with NPL ratio at 1.72%;
- ROAA of 2.27% and ROE of 21.62%.

# BKT KOSOVO VS BANKING SECTOR (SEP '22)



\*Data is retrieved from CBK monthly information on financial system and KBA quarterly statistics.  
\*GDP is based on IMF projection.

# BKT KOSOVA BUSINESS SEGMENTS

## RETAIL BANKING

- Current Account
- Saving Account
- Term Deposits; Advance, Elastic, Record, Progressive, Rita
- Mortgage Loans
- Consumer Loans
- Digital Loans
- Overdrafts
- Digital Overdraft
- Credit and Debit Cards
- Digital Credit Card
- 1888 POS's
- 48 ATM's
- E-banking / M-banking
- Utility and Giro Payments
- QR transfer (e-banking)
- Multicurrency Deposit

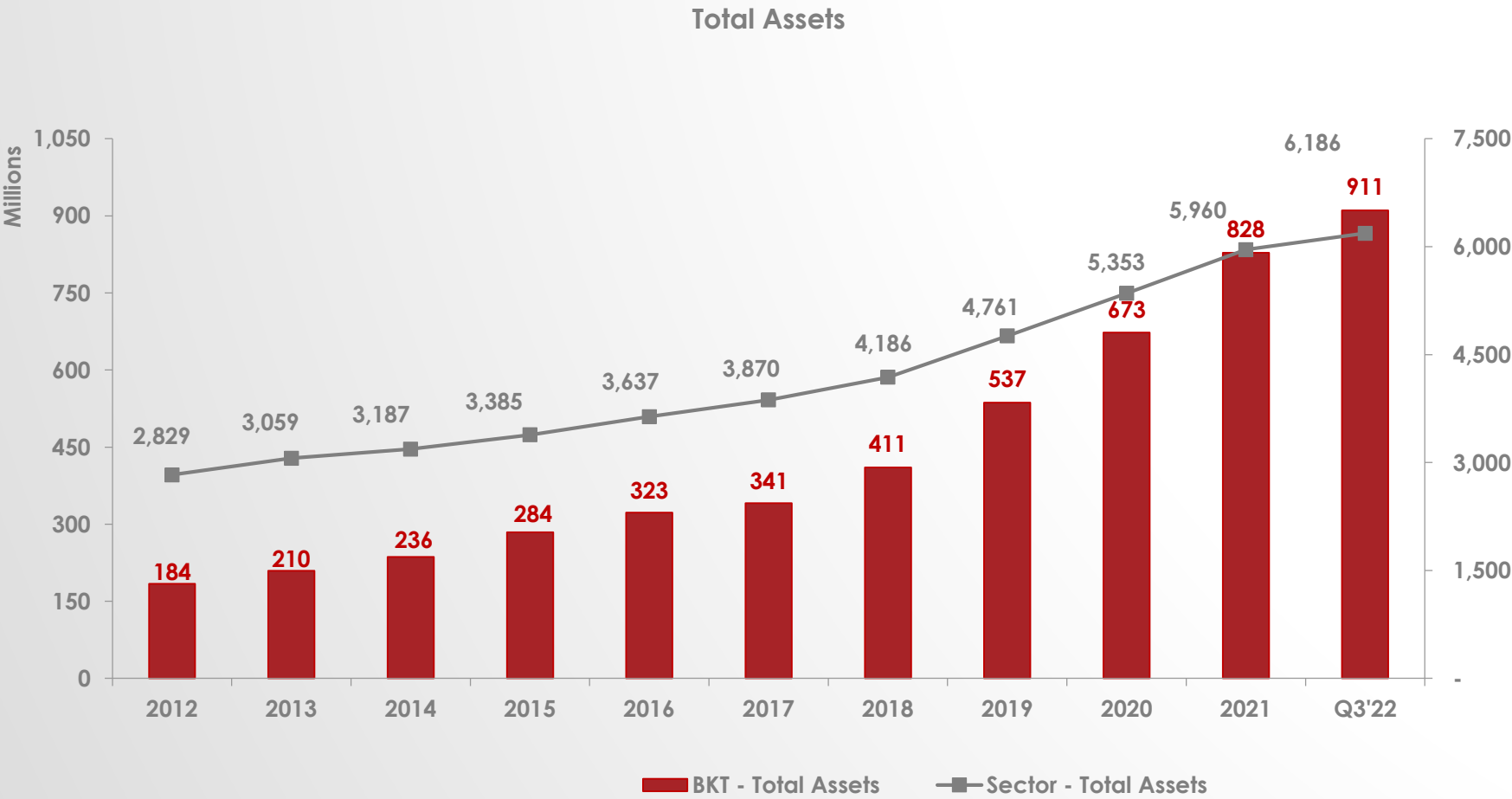
## CORPORATE & BUSINESS BANKING

- Current Account
- Saving Account
- Term Deposits
- Business Loans
- SME Loans
- Agro Loans
- Green Loans
- Overdrafts
- Structured Finance
- Project Finance
- E-banking / M-banking
- POS Business
- Virtual POS
- Business e-Banking
- Business Mobile Banking
- Business Credit & Debit Cards
- Drop Box; Cash Management

## TREASURY, FINANCIAL INSTITUTIONS & PRIVATE BANKING

- Private Banking
- Correspondent Banking
- Trade Finance Products
- Money Market Products
- FX Products
- Securities
- Syndication Loans
- Smart Invest Trading Platform

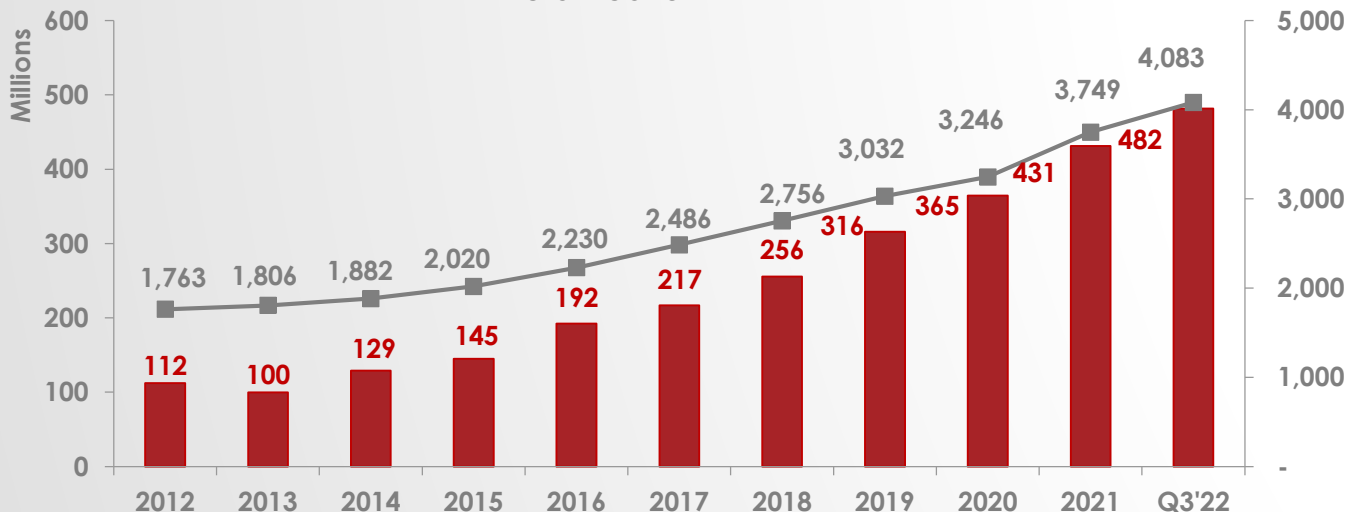
# FINANCIAL FIGURES FOR BKT AND SECTOR



A higher annual average growth rate of 17.35% on total assets compared to 8.14% of sector, between 2012-Q3'22

# FINANCIAL FIGURES FOR BKT AND SECTOR

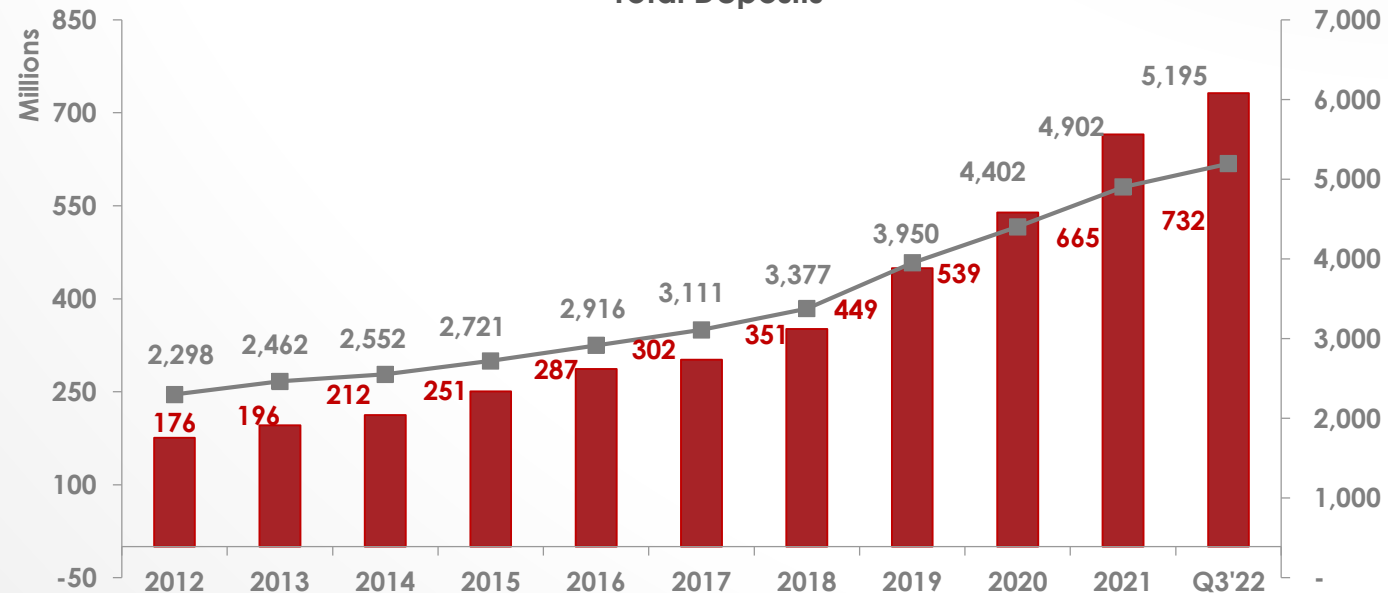
## Total Loans



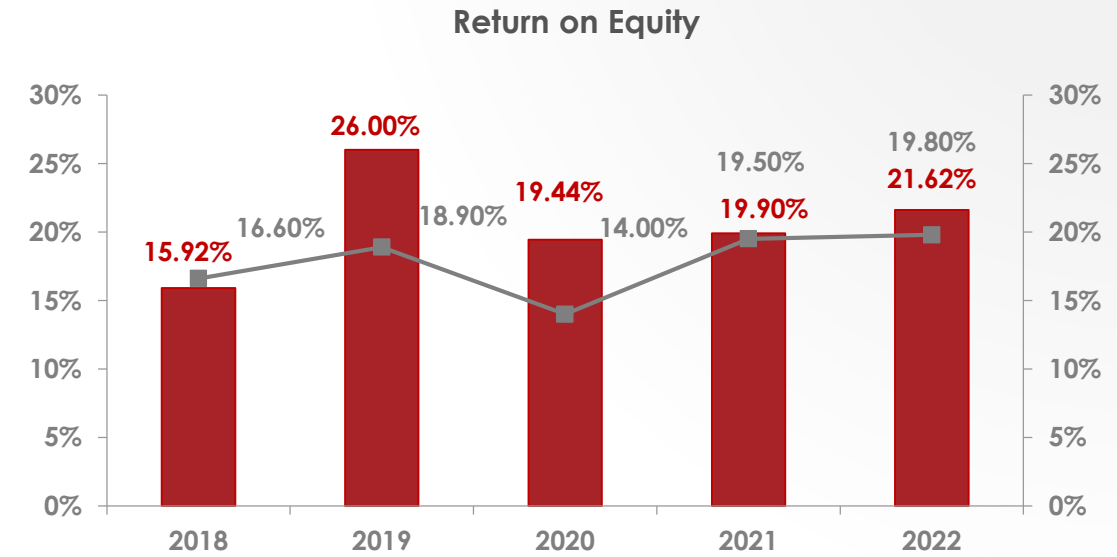
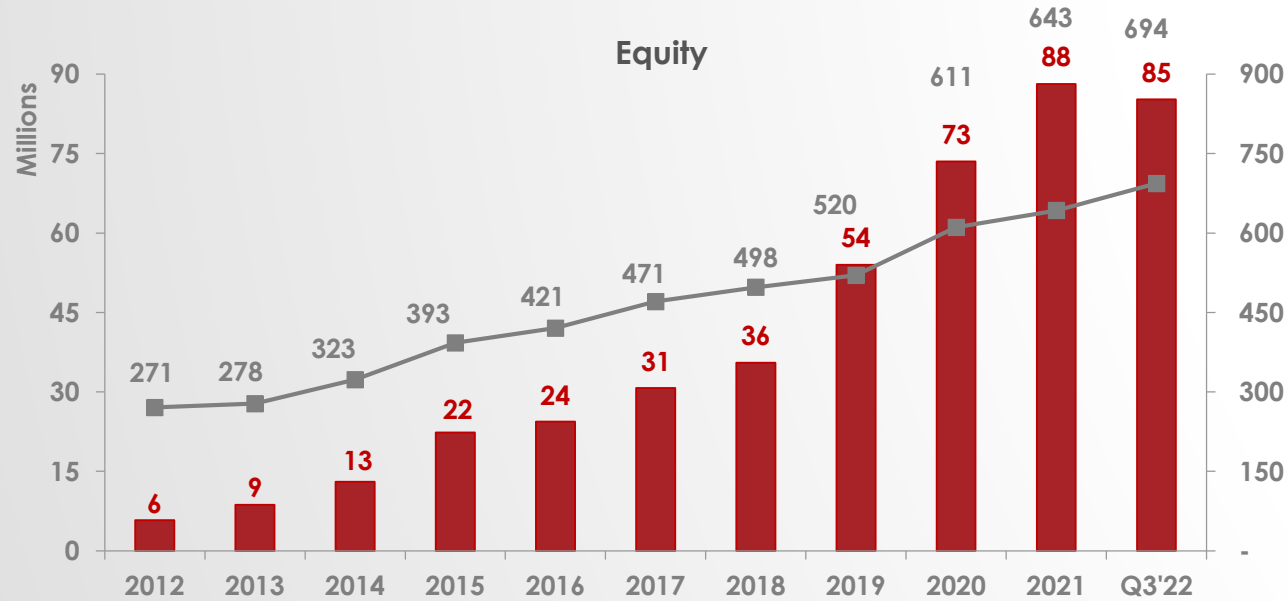
A higher annual average growth rate of 15.67% on total loans compared to 8.76% of sector between 2012-2022

A higher annual average growth rate of 15.32% on total deposits compared to 8.50% of sector, between 2012-2022

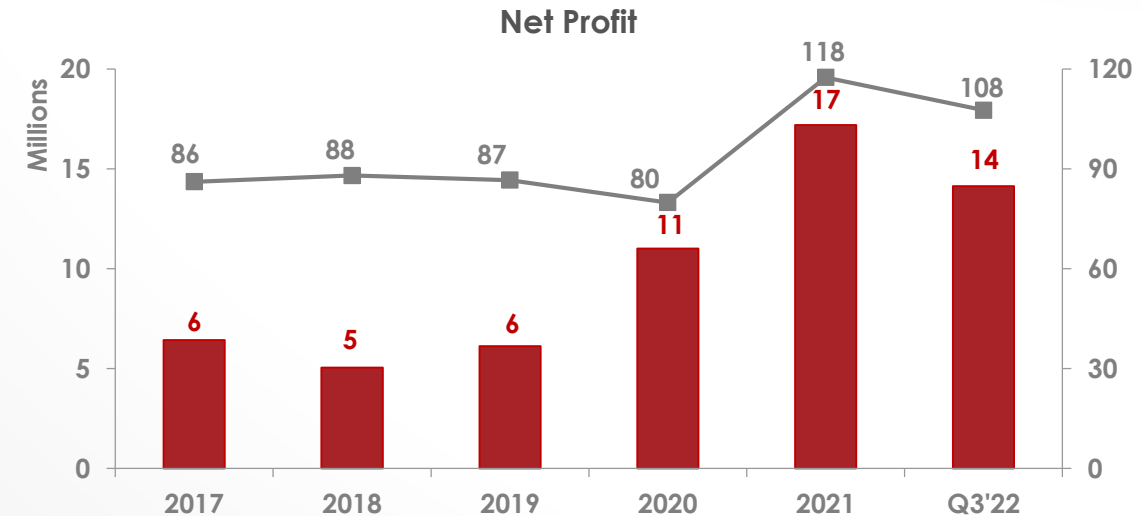
## Total Deposits



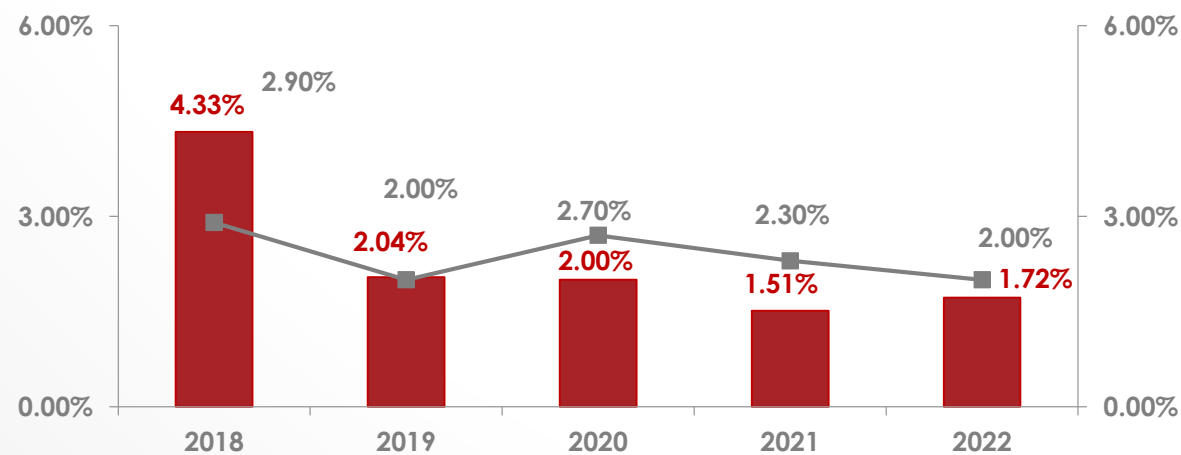
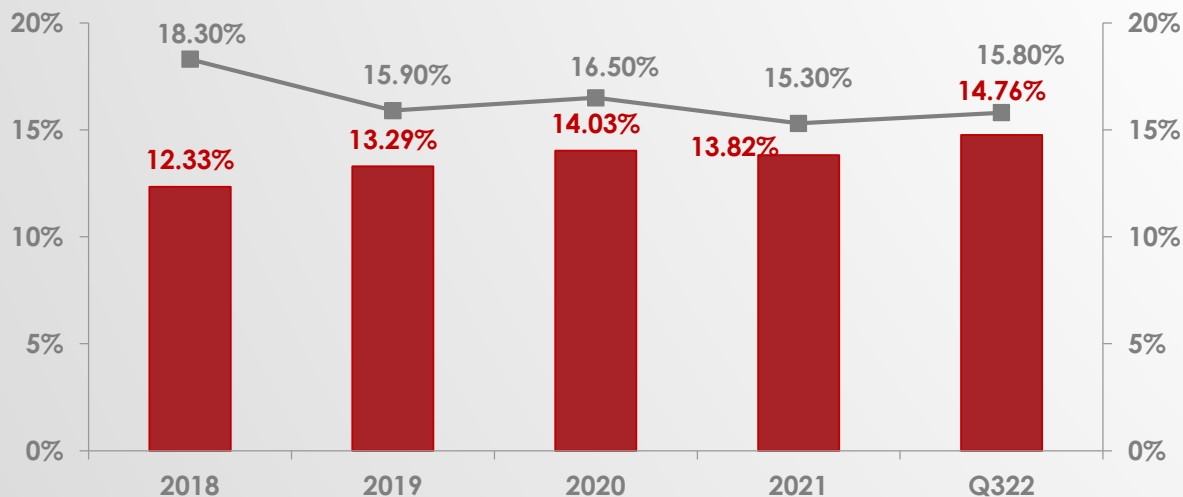
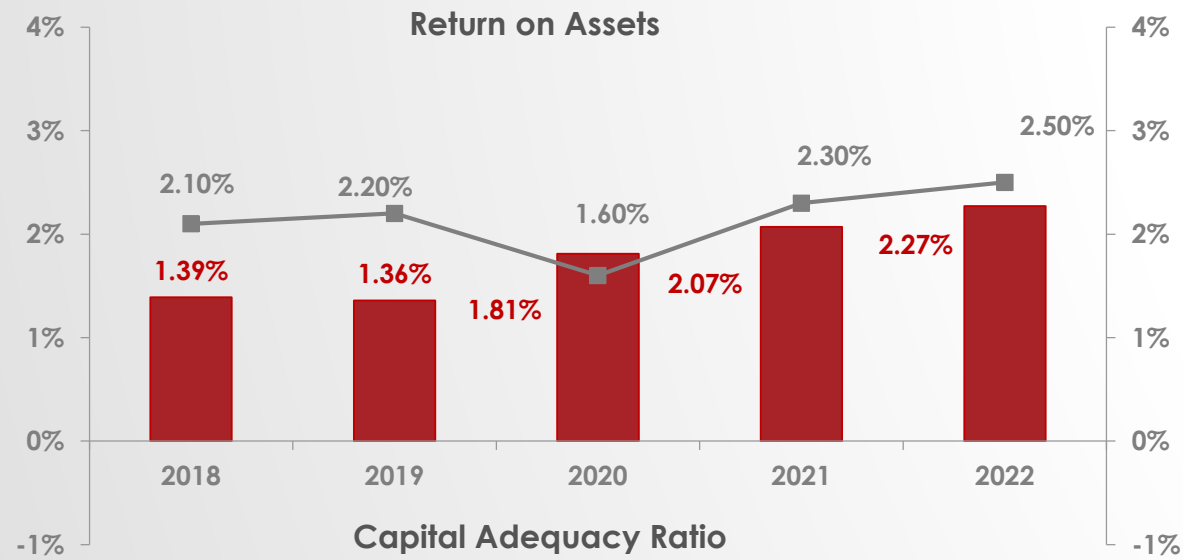
# FINANCIAL FIGURES FOR BKT AND SECTOR



A higher annual average growth rate of 30.87% on equity compared to 9.86% of sector between 2012-2022



# FINANCIAL RATIOS FOR BKT AND SECTOR



# PIONEERING SECTOR

- BKT Kosovo introduced the **Digital Account** which can be opened online for those affected mostly by the pandemic and the **Digital Loan. Card less withdrawal.**
- BKT Kosovo entered into **partnerships** with auto dealers and construction companies to expand its network by introducing **Merchant Loan.**
- BKT Kosovo entered into a partnership with **Green for Growth** to promote and pioneer **ESG loans.**
- **Advance term-deposit account:** The term-deposit is offered for 6 months or 12 months of maturity, with an attractive interest rate, that is credited to the client's current account immediately.
- **SMART Invest:** BKT pioneered in the launching of the first and the only local investment platform, which opened doors for citizens of Kosovo to access international financial markets.
- BKT increased the number of **remittances channels** by offering services from two companies and PostFinance AG in Switzerland.
- **Private Banking Department** was established in order to provide customized services to a special segment of clients by differentiating products and services.
- **Subordinated debt** finalized with Finance in Motion for EFSE & GGF Fund. First sustainability linked sub-ordinated debt for the country, where the bank has committed to certain ESG linked KPI's



# AWARDS

- **The Banker:** "Bank of the Year in Kosovo for 2020 and 2021"
- **Euromoney Awards for Excellence 2021:** "Best Bank in Kosovo"
- **Global Finance Magazine:** "The Best Bank in Kosovo for 2021"
- **International Business Awards (IBA) 2021 Stevie® Award**
  - Bronze Stevie® Award in the 'Company of the Year' category
  - Gold Stevie® Award for the 'Executive of the Year' category
- **World Finance (World News Media Ltd.):** "Best Banking Group 2021 and 2022 - Kosovo"
- **Global Banking and Finance Review:**
  - "Best Digital Bank Kosovo 2021"
  - "Best Retail Bank Kosovo 2021"
  - "Retail Brand of the Year Kosovo 2021"
- **Global Brands Magazine:** "Best Bank in Kosovo 2021"
- **Global Business Review Magazine:**
  - "Best Bank in Kosovo 2021"
  - "Banking CEO of The Year Kosovo 2021"
  - "Best Bank In Kosovo 2022"
- **Global Finance:**
  - "2022 Outstanding Innovator in FX & Trading for Smart Invest Platform"
- **The Global Economics:**
  - "Best Mobile Banking Application"
  - "Best Retail Bank"
- **ICERTIAS:** "Best Buy Award 2021/2022"
- **Cosmopolitan The Daily Business Awards 2021:**
  - "Best Digital Bank - Kosovo 2021"
  - "Best Retail Bank - Kosovo 2021"
  - "Best E-Banking Products - Kosovo 2021"
  - "Most Innovative Digital Transformation Bank - Kosovo 2021"
  - "Best Retail Bank - Kosovo 2022"
  - "Most Innovative Digital Transformation Bank - Kosovo 2022"
- **World Confederation of Business (WORLD COB):** "THE BIZZ HYBRID Business Excellence Award"
- **International Business Magazine Award:** "Best Bank Kosovo 2022"
- **The Finance Derivative Magazine:** "Best Commercial Bank Kosovo 2022"
- **World Business Outlook:**
  - "Best Private Banking Award Kosovo 2022"
  - "Best Retail Banking Award Kosovo 2022"
  - "Best Digital Banking Award Kosovo 2022"
  - "Most innovative Micro Enterprise Kosovo 2022"
  - "Fastest Growing SME Bank Kosovo 2022"

# PARTNERSHIPS AND MEMBERSHIPS

Following thorough selection processes, BKT was chosen to partner and member with strategic national and international groups on important projects:

- European Fund for Southeast Europe (EFSE): Partnership for financing working capital and fixed assets of enterprises in all sectors in the economy in the markets of Albania and Kosova;
- Green for Growth Fund (GGF): Subordinated Loan with the purpose of financing energy efficiency and renewable energy projects in Albania and Kosova;
- Turk Eximbank: The sole partner of Facility Agreement for the financing of trade transactions towards Turkey;
- USAID: Financing agribusinesses projects;
- USAID: Albania Loan Portfolio Guarantee;
- KfW: Credit Guarantee Facility for Renewable Energies (Ref) in Albania;
- EBRD: Co-financing agreement;
- IFC: Membership in the Global Trade Finance Program;
- IDB and ICD: Establishment of a leasing (Ijara) company with Islamic Corporation for the Development of the Private Sector (ICD) and Kolon Group
- World Savings and Retail Banking Institute (WSBI) and European Savings and Retail Banking Group (ESBG): Membership in the largest organizations in the world representing savings and retail banks;
- International Chamber of Commerce (ICC):
- Direct Membership in International Chamber of Commerce, ICC as of April 2011
- Establishment of ICC Albania National Committee, as of June 2012
- Citibank NA: "US VISA Fee Collection Service" Agreement for a period of ten-years;
- International Trade and Forfaiting Association (ITFA): Membership, which is a great opportunity to deepen our forfaiting capabilities;
- Ministry of Economy Trade & Energy (METE): Lending Agreement;
- 2KR: Nutritive Production Growth.

# BKT KOSOVA FI CONTACTS

Mr. Muharrem Inan  
Group Head  
Treasury, Financial Institutions and Private Banking Department  
Tel: +383 38 22 36 36 385  
Email: [minan@bkt.com.al](mailto:minan@bkt.com.al)

Ms. Gentiana Halimi  
Unit Manager  
Financial Institutions Department  
Tel: +383 38 22 36 36 386  
Email: [ghalimi@bkt.com.al](mailto:ghalimi@bkt.com.al)

Ms. Ebru Jilta  
Specialist  
Financial Institutions Department  
Tel: +383 38 22 36 36 388  
Email: [ejilta@bkt.com.al](mailto:ejilta@bkt.com.al)

Group e-mail: [KS-FinancialInstitutions@bkt.com.al](mailto:KS-FinancialInstitutions@bkt.com.al)

Banka Kombëtare Tregtare Kosovë J.S.C.  
Str. Ukshin Hoti, No.29, Qyteza Pejton, Prishtina  
Kosova  
Tel: +383(0)38 666 666  
+383(0)38 223 636 100  
Fax: +383(0)38 222 906  
Bloomberg: BKT  
Swift Code: NCBAXKPR  
E-mail: [infobktKosova@bkt.com.al](mailto:infobktKosova@bkt.com.al)



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