

# BANK PRESENTATION

Banka Kombëtare Tregatë Kosovë Sh.A.

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# REPUBLIC OF KOSOVA

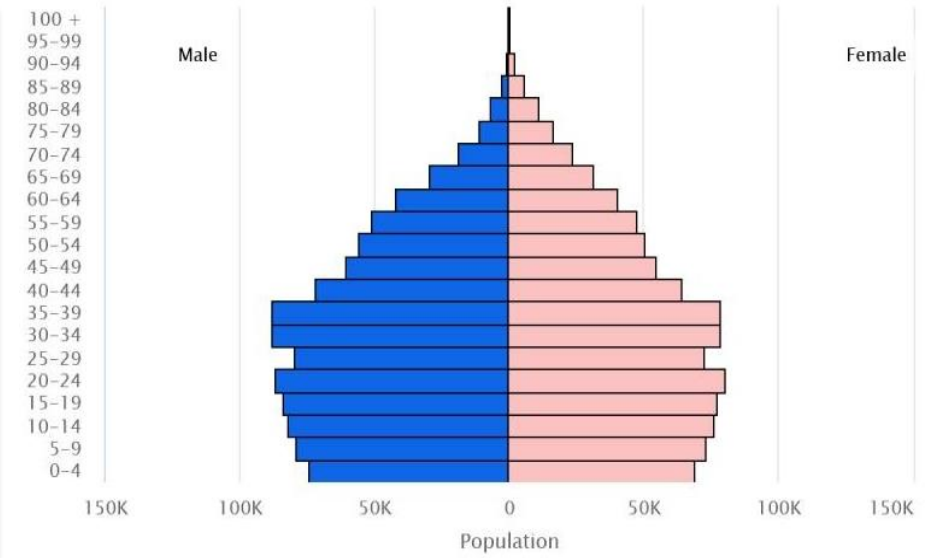
- A parliamentary republic which declared independence on February 17, 2008.
- Country is recognized as an independent country by 117 countries.
- Kosovo is a potential candidate for EU membership, a process that was accelerated with the signing of Stabilization Association Agreement in October 2015, in force since April 2016.
- Although Kosovo is not an official Eurozone member, Kosovo unilaterally adopted the “euro” as its currency in 2002 when it was a UN mandate.
- Kosovo 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.
- In 2023, Kosovo passes first step to Council of Europe Membership. Also, The European Parliament has approved the visa liberalization for Kosovo effective 1<sup>st</sup> of January, 2024.



# DEMOGRAPHIC INFORMATION

Kosova	2022
Population, million/growth rate	1.8 /-1.40%
GDP Growth	3.5%
GDP, nominal € bn	8.95
GDP per capita, €	5,082
Life Expectancy at Birth, years (2021)	77
Average age	31

Remittances by Country (Q4'22)	
Germany	41.47%
Switzerland	20.67%
USA	8.33%
Austria	5.35%
Italy	4.87%
France	4.24%
Belgium	3.55%
England	2.23%
Sweden	2.03%
Slovenia	1.03%
Other	6.26%



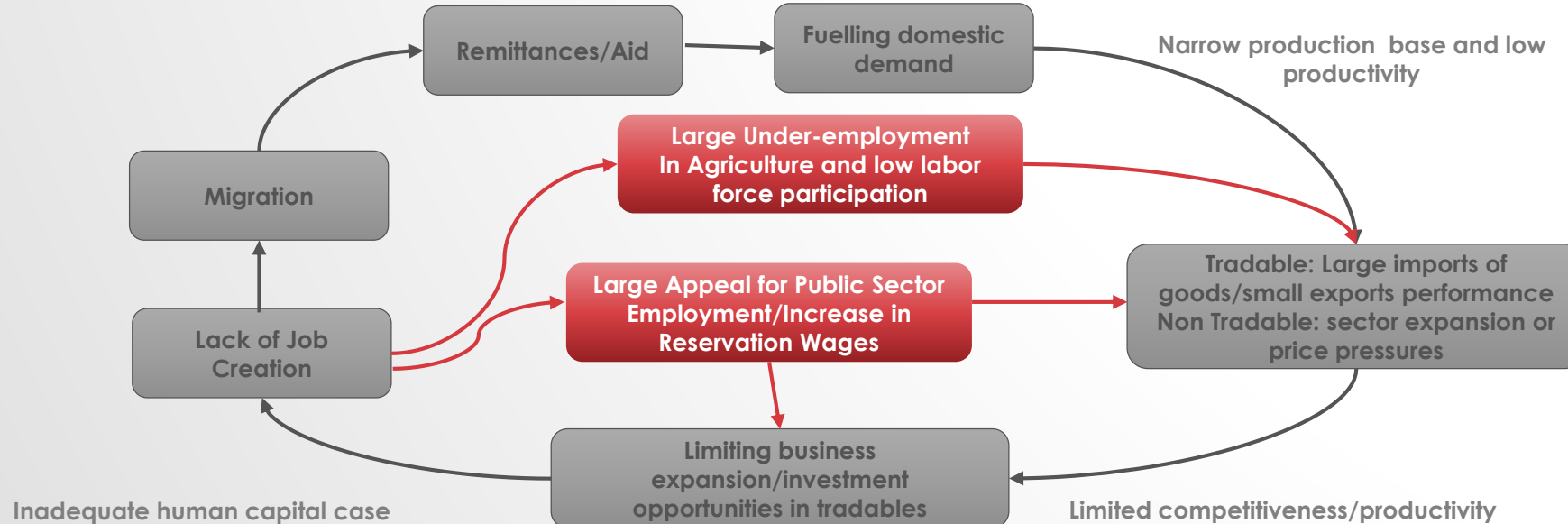
U.S. Census Bureau, International Database

Population ages 15-64 represents 68% of total population.

Sources: Central Bank of Kosovo (CBK)  
IMF  
World Bank Data

# ECONOMIC INDICATORS: “GDP”

- Kosova economy grew by 3.5% in 2022, after bouncing 10.7% in 2021 which marked a significant recovery post-pandemic,
- Foreign direct investments have seen a net inflow corresponding to 8.6% of GDP at EUR 778 million while country attracted EUR 190 million in 1<sup>st</sup> quarter of 2023, 63% higher than same period of 2022.
- Remittances reached EUR 1.22 billion in 2022 while maintaining growth trend in first quarter of 2023 at 12.4%, reaching EUR 271 million.



Source: Central Bank of Kosovo (CBK)

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

# ECONOMIC INDICATORS “FISCAL POLICY”

- Government has been maintaining stable macro-fiscal policies,
- Public debt in Q1 '23 reached EUR 1.75 billion which is just 4.65 % higher compared to same period of 2022,
  - Government has been borrowing less through debt securities due to high revenue collection and tight fiscal policy,
  - The lowest debt level in Western Balkans at 20.7% debt to GDP ratio,
  - Offering room to borrow on concessional terms for productive investments,
  - One third of this debt is external, mainly from international financial institutions while local debt has been at stable since beginning of 2022.
- 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	4.82	3.40	4.75	-5.34	10.74	3.50	3.50	3.90	3.90
Albania		3.31	3.80	4.01	2.08	-3.4	8.51	3.74	2.25	3.34	3.40
Bosnia and Herzegovina		3.24	3.24	3.82	2.88	-3.01	7.39	3.80	2.00	3.00	3.00
Bulgaria		3.04	2.76	2.68	4.03	-3.95	7.63	3.36	1.41	3.51	2.87
Croatia		3.56	3.41	2.79	3.42	-8.58	13.07	6.33	1.70	2.30	2.70
North Macedonia		2.84	1.08	2.88	3.91	-4.68	3.93	2.21	1.40	3.60	3.90
Montenegro		2.94	4.71	5.07	4.06	-15.3	13.4	6.40	3.20	3.00	3.00
Romania		2.85	8.21	6.03	3.84	-3.69	5.87	4.79	2.40	3.65	3.75
Slovenia		3.19	4.81	4.45	3.45	-4.32	8.21	5.37	1.62	2.08	2.79
Serbia		3.33	2.10	4.49	4.33	-0.90	7.55	2.25	2.00	3.00	4.50

IMF-WORLD ECONOMIC OUTLOOK DATABASE APRIL 2023



# GOVERNMENT DEBT TO GDP

Gov. Debt to GDP %	Realizations							Projections		
Country	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Kosova	14.47	16.37	17.13	17.66	22.48	21.58	20.70	20.26	21.88	22.70
Albania	73.32	71.89	69.47	67.36	75.92	73.87	67.58	68.55	66.74	64.89
Bosnia and Herzegovina	43.54	37.43	33.76	32.08	36.03	34.39	29.55	27.61	27.34	26.87
Bulgaria	26.99	22.90	20.06	18.30	23.18	22.75	21.84	21.08	22.90	24.70
Croatia	79.38	77.47	74.45	71.94	86.77	78.58	67.53	65.15	64.24	63.28
North Macedonia	39.81	39.38	40.42	40.44	50.84	53.41	51.79	51.90	50.79	51.09
Montenegro	66.39	66.20	71.88	78.79	107.35	86.63	71.23	67.82	67.60	68.99
Romania	39.54	37.10	36.18	36.62	49.39	51.10	48.72	48.27	49.31	50.28
Slovenia	78.52	74.15	70.28	65.42	79.58	74.46	70.24	67.72	65.92	64.09
Serbia	67.42	57.50	53.30	51.71	56.88	56.25	53.53	50.20	46.09	44.06

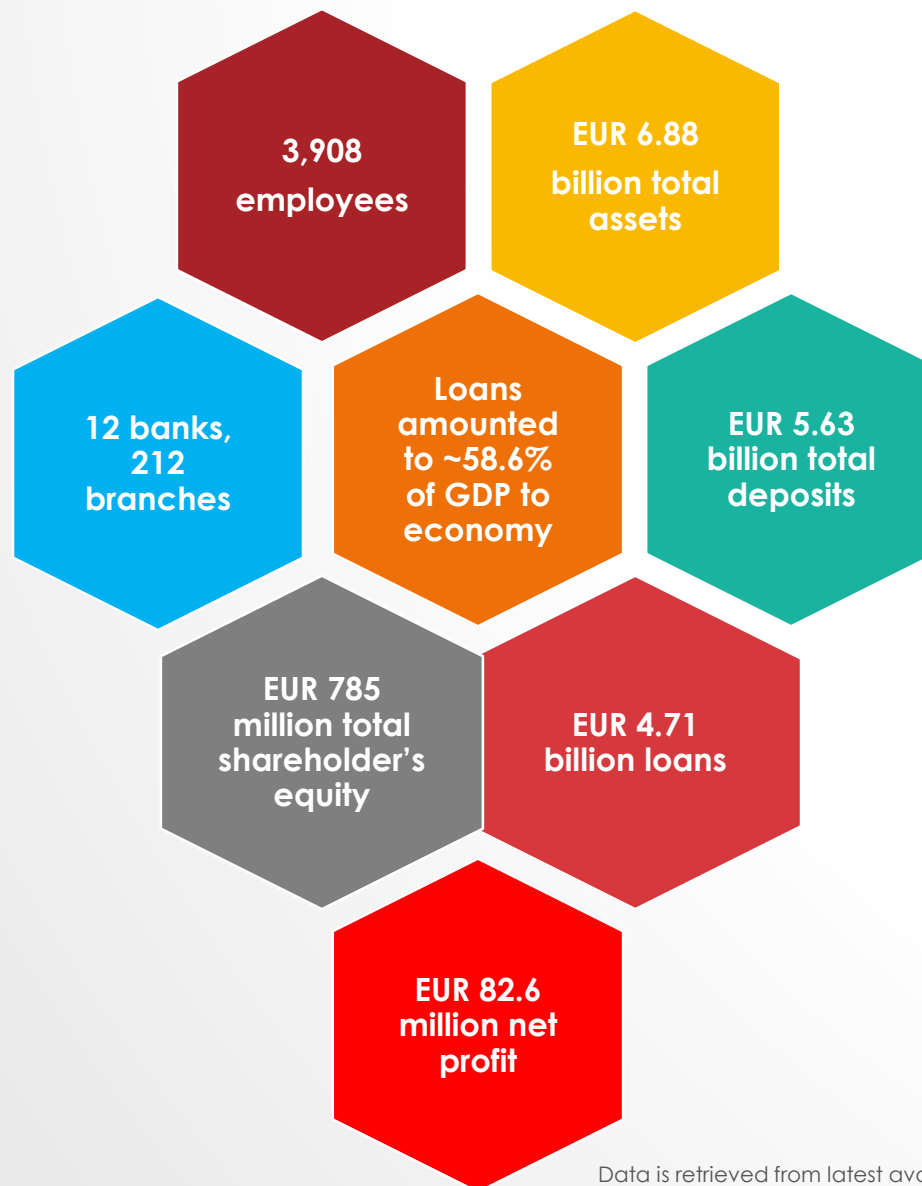
IMF-WORLD ECONOMIC OUTLOOK DATABASE APRIL 2023

# KOSOVA BANKING SECTOR (JUNE'23)

- 12 banks: 9 are foreign owned. No state owned bank, all private;
- High concentration: top three banks with 51% of total assets;
- Total asset size: EUR 6.88 billion with 14.6% y-o-y growth, securities comprise 10.6% of total assets;
- Total shareholder's equity: EUR 785 million;
- Total banking system net profit for half year: EUR 82.6 million, 22.3% higher than 1H22;
- Gross loans/GDP ratio: ~48.6%\*;
- Loans/banking assets ratio: 68.5%;
- Loans/deposits ratio: 83.7%;
- Liquid assets/total short-term liabilities ratio: 31.2%;
- High CAR of 15.3%, with low NPL ratio at 2.0%;
- High ROAA of 2.6% and ROAE of 21.5%.

Data is retrieved from latest available CBK monthly information on financial system and KBA quarterly statistics.  
\*2022 closure

# KOSOVA BANKING SECTOR AT A GLANCE (JUNE'23)



# 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



2013  
Aras Elektrik established.  
Kosova Keds Electricity acquired.



2012  
Yepaş Elektrik established



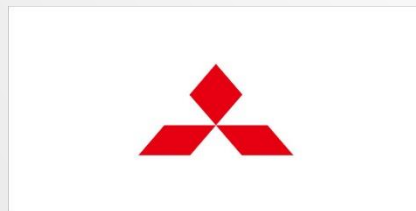
2010  
Lidya Madencilik launches  
mining operations.  
Yedaş Elektrik acquired.  
Çalık Gayrimenkul  
established



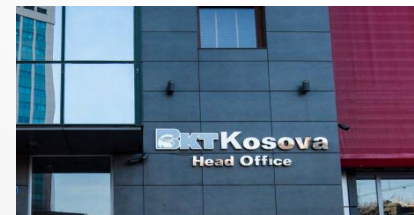
2006  
BKT Albania acquired



1999  
Aktif Bank established



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



2018  
BKT Kosova took license from  
CBK to be third bank under  
Çalık Holding

# ÇALIK HOLDİNG A.Ş.



Energy



Construction



Banking & Finance



Mining



Textiles



Digital

**31**

COUNTRIES

**6**

SECTORS

**16,000**

EMPLOYEES

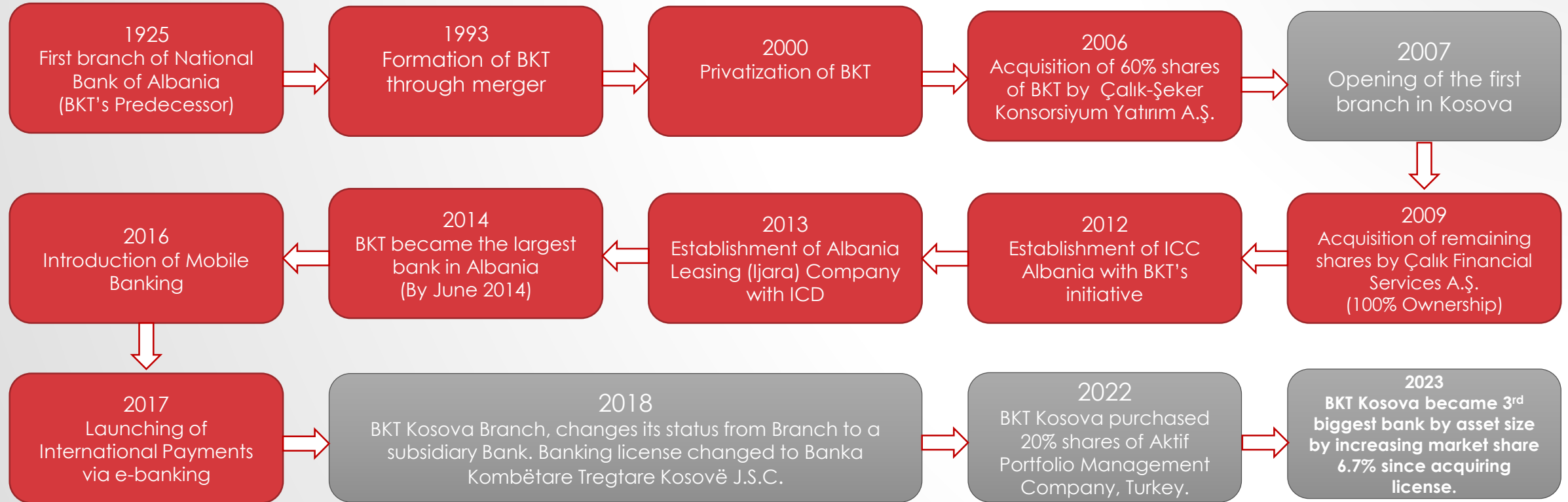
**2.2 BILLION USD**

REVENUES

**532 MILLION USD**

EBITDA

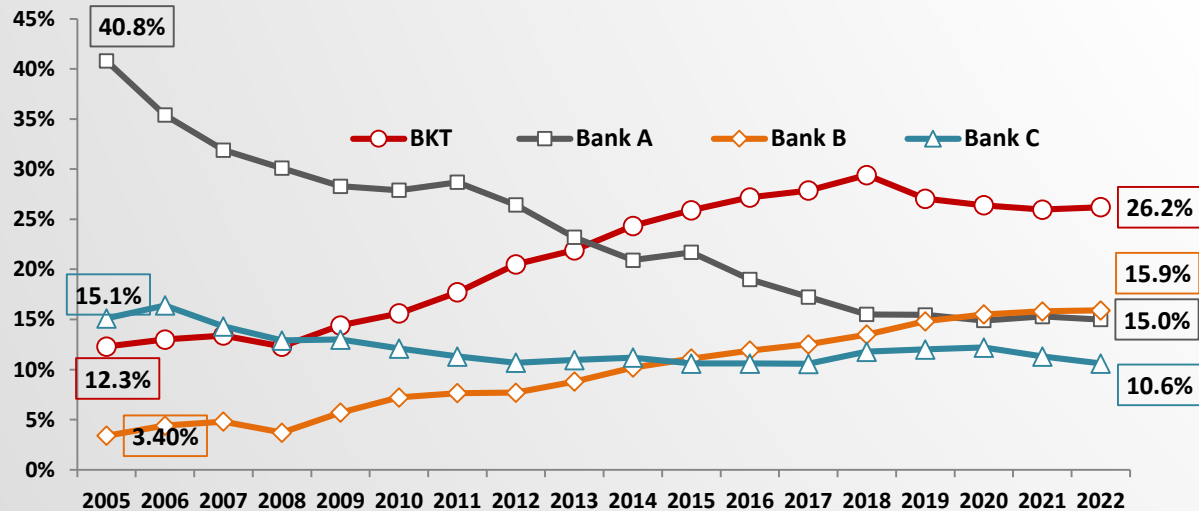
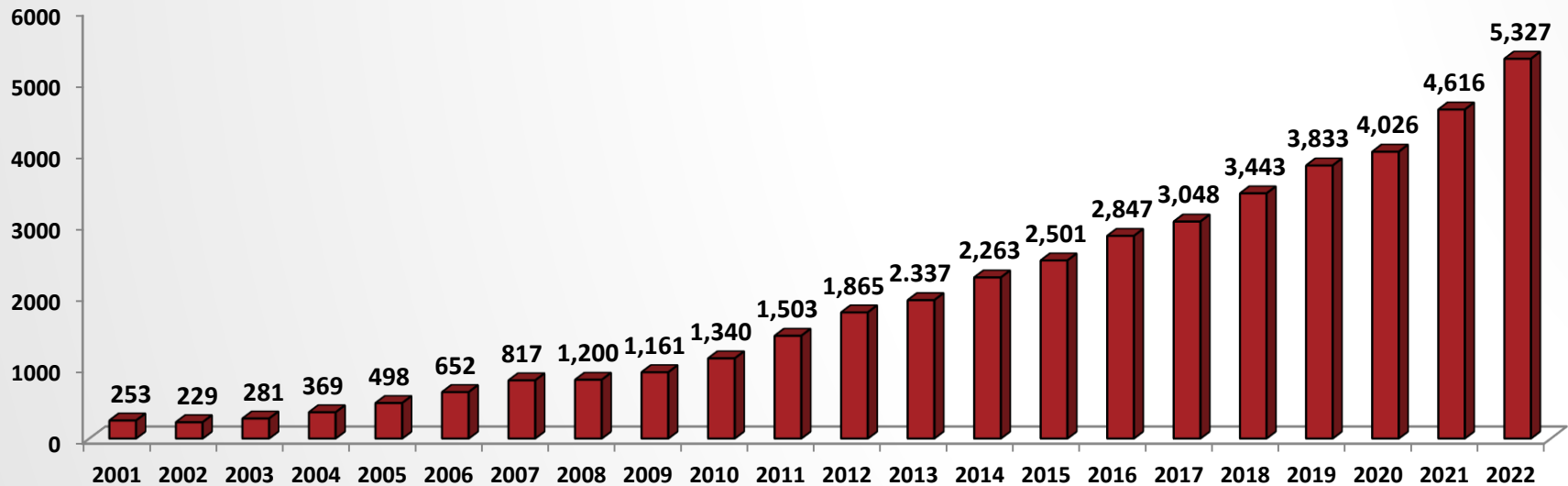
# BKT'S HISTORY MILESTONES



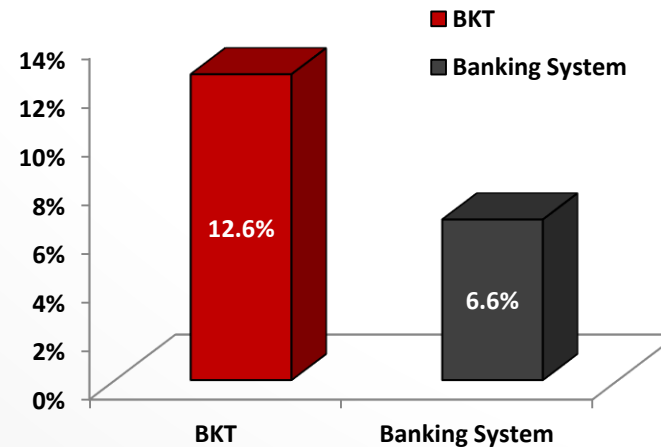
## Shareholder's Structure

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

# BKT ALBANIA ASSETS (EUR MILLION)

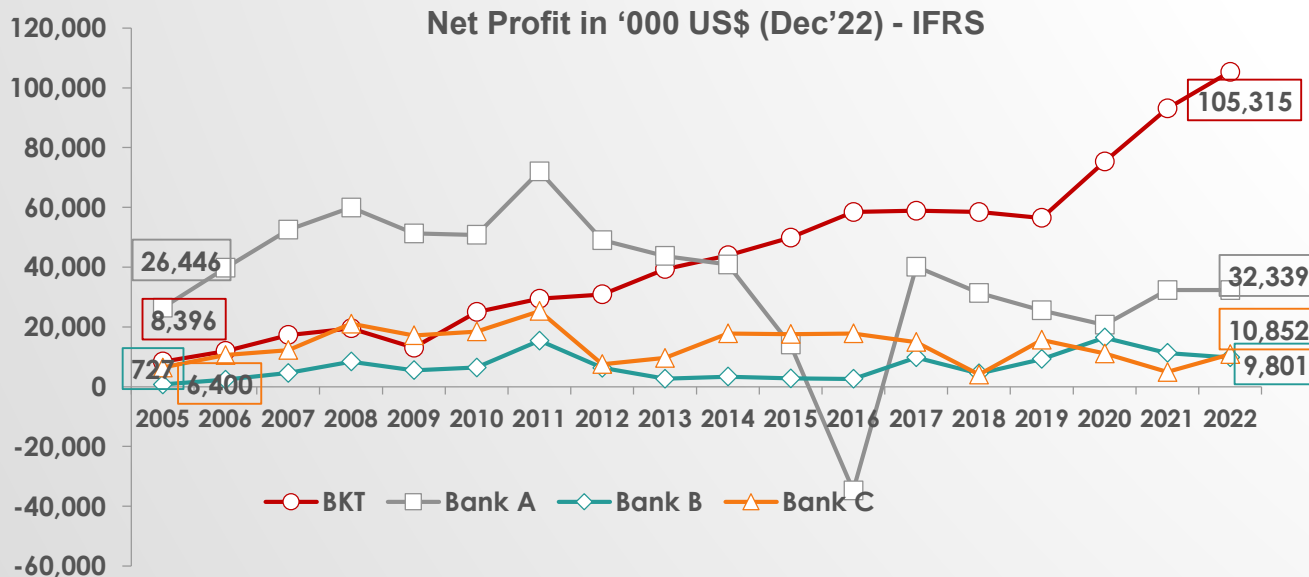
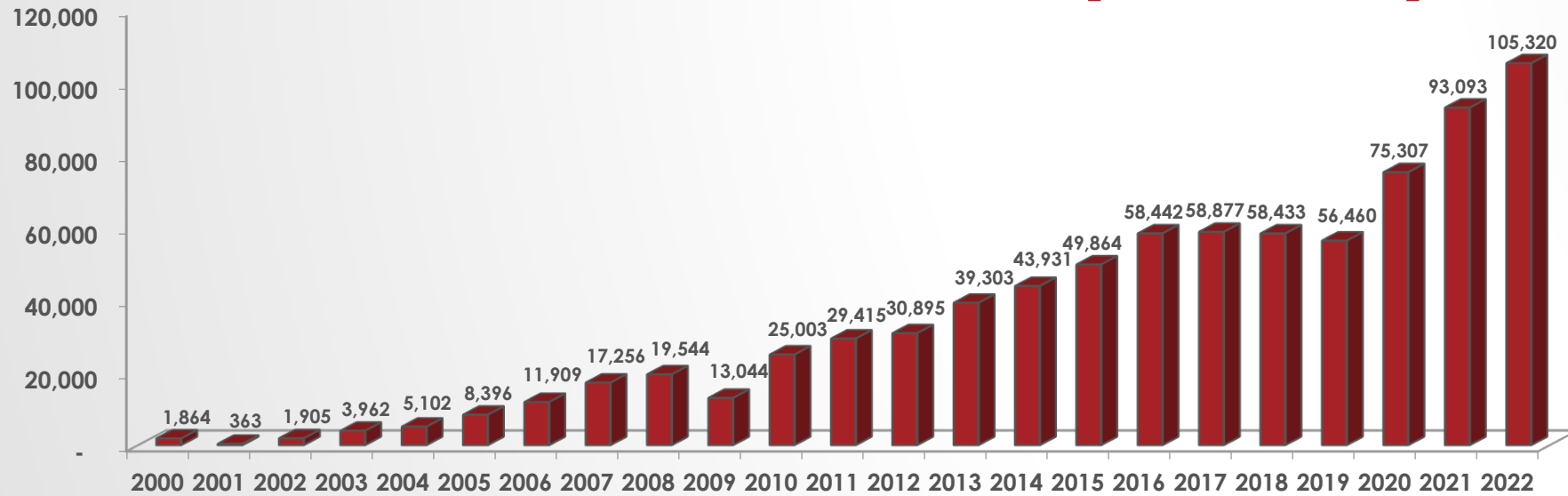


Average Annual Asset Growth (2008- 2022)



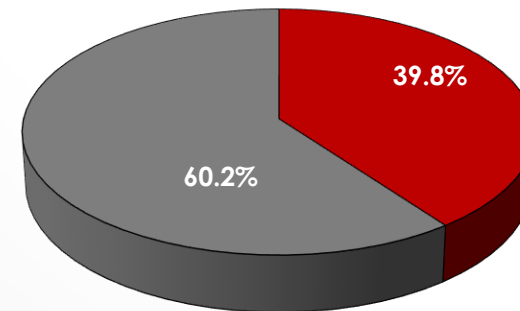


# BKT ALBANIA NET PROFIT – IFRS (US\$ '000)



BKT Profits Vs. Total Banking Sector (12M 2022)

■ BKT ■ Remaining Banking Sector





# BKT KOSOVA FINANCIAL FIGURES (JUNE'23)

- 21 branches in 14 cities;
- Total asset size: EUR 1.056 billion;
- Total gross loans amount: EUR 595 million;
- Total deposits amount: EUR 846 million;
- Total shareholder's equity: EUR 109 million;
- Net profit for half year: EUR 10.6 million;
- Gross loans/total assets ratio: 56.3%;
- Gross loans/deposits ratio: 70.3%;
- Liquid assets/total short-term liabilities ratio: 29.83%
- Cost Income Ratio\*: 33.48%
- CAR of 15.55% with NPL ratio at 1.43%;
- ROAA of 2.12% and ROE of 27.08%.

\*Cost to income ratio including impairment is 38.58%

# BKT KOSOVA VS BANKING SECTOR (JUNE'23)



# BKT KOSOVA BUSINESS SEGMENTS

## RETAIL BANKING



- Current, Saving Account & Saving Account PIKA
- Credit, Debit Cards and Overdrafts
- E-banking / M-banking
- Digital Account Opening, Credit Card and Overdraft
- Digital Loan
- Term Deposits; Mortgage and Consumer Loans, Advance, Elastic, Record, Progressive, Rrita, Multicurrency, Gold
- Treasury Payments
- Pension Loan
- Current and Savings Account for Pension Trust
- Pension Account with OVD Limit
- SmartPay QR and Smart OTP
- Standing Orders
- Cash Deposit, Withdrawal, loan through Vlleša
- UPT and RIA transfers
- Giro Payment
- Ticket fines
- Online KUR Prishtina Payment and KESCO Payment and Internal Direct Debit
- Current Account in Gold-non-physical
- PEGA Retail Customer Onboarding
- PEGA Credit Card Origination
- 1939 POS's
- 51 ATM's

## CORPORATE & BUSINESS BANKING



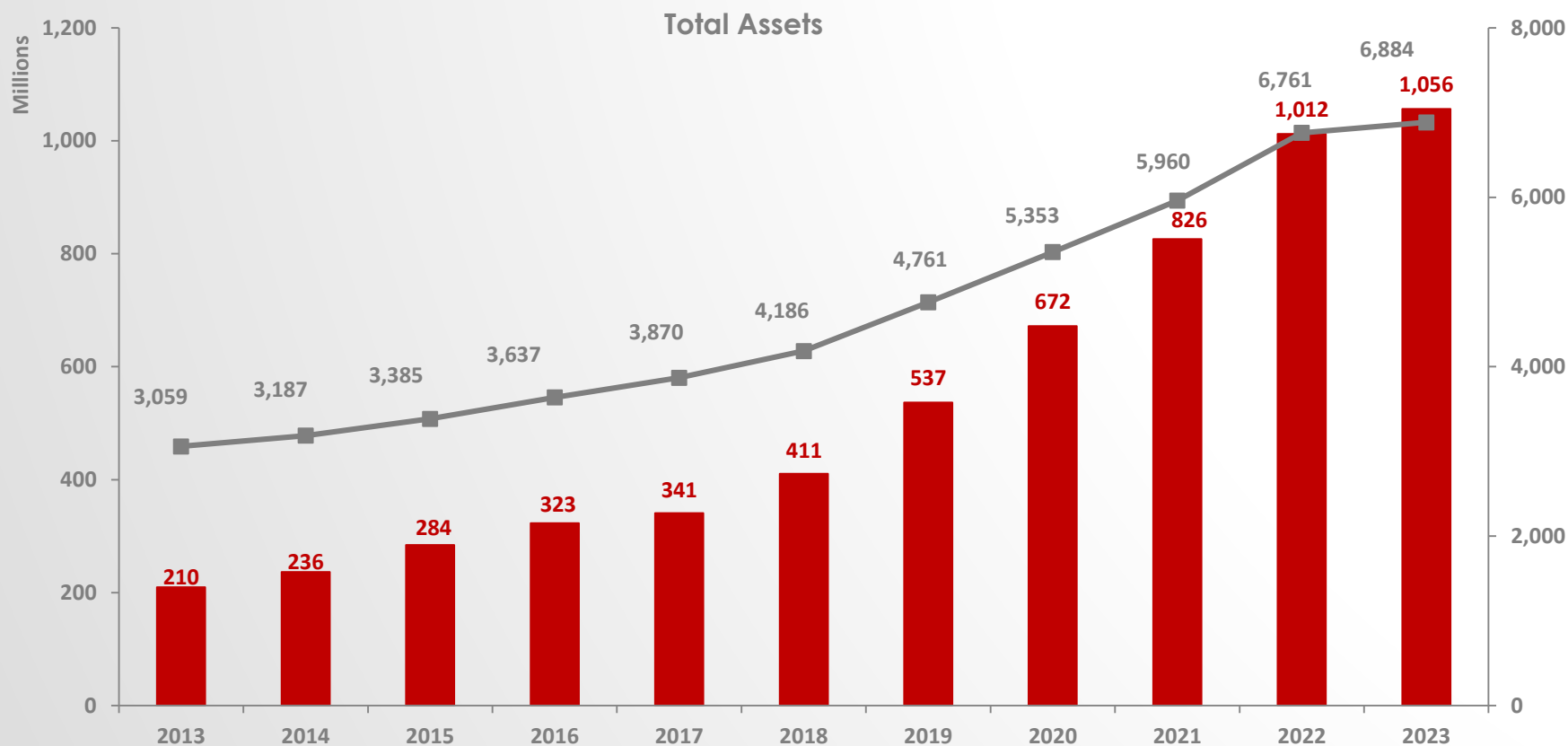
- Current Account
- Saving Account
- Term Deposits
- Business Loans
- SME Loans
- Agro Loans
- Green Loans
- Overdrafts
- Structured Finance
- Project Finance
- E-banking / M-banking
- POSS Business
- Virtual POSS
- Business e-banking
- Business Mobile Banking
- Business Credit and Debit Cards
- Drop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

## TREASURY, FINANCIAL INSTITUTIONS & PRIVATE BANKING



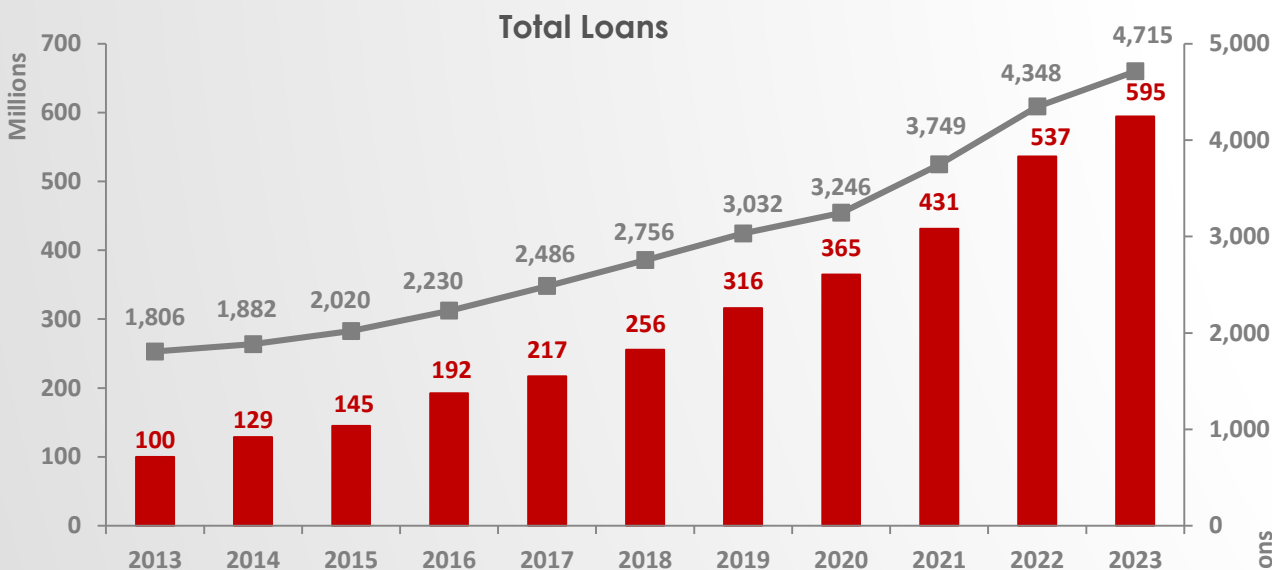
- Private Banking
- Correspondent Banking
- Trade Finance Products
- Money Market Products
- FX Products
- Securities
- Syndication Loans
- Smart Invest Trading Platform

# FINANCIAL FIGURES FOR BKT AND SECTOR



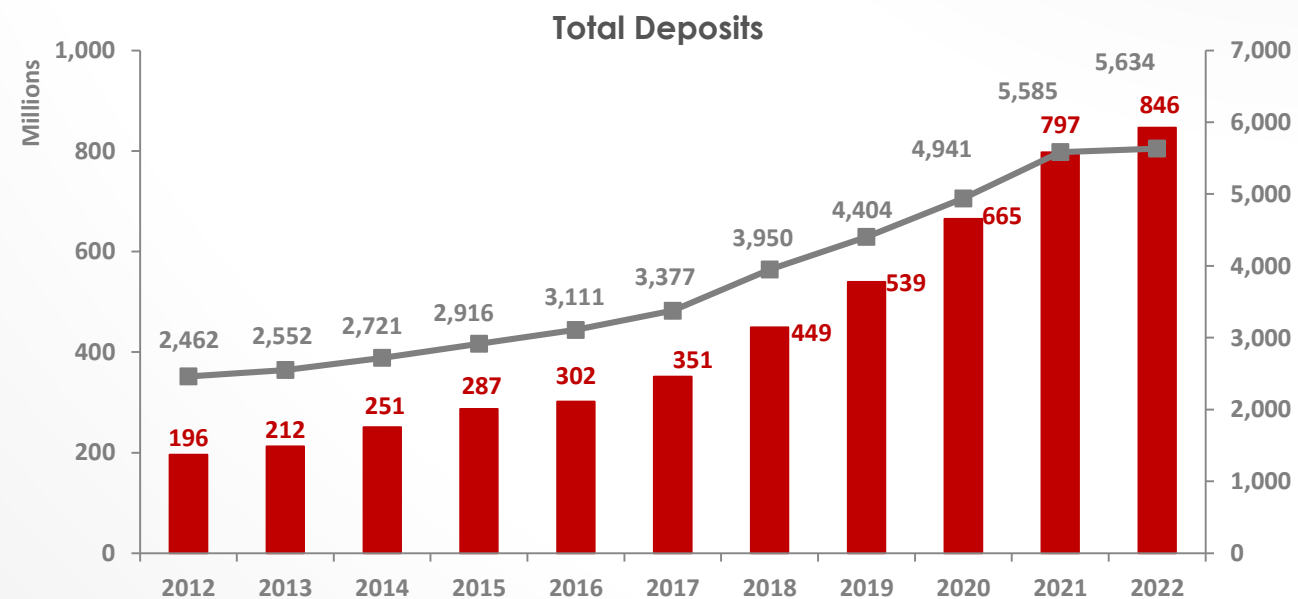
A higher annual average growth rate of 18.59% on total assets compared to 9.10% of sector, between 2012-2022.

# FINANCIAL FIGURES FOR BKT AND SECTOR

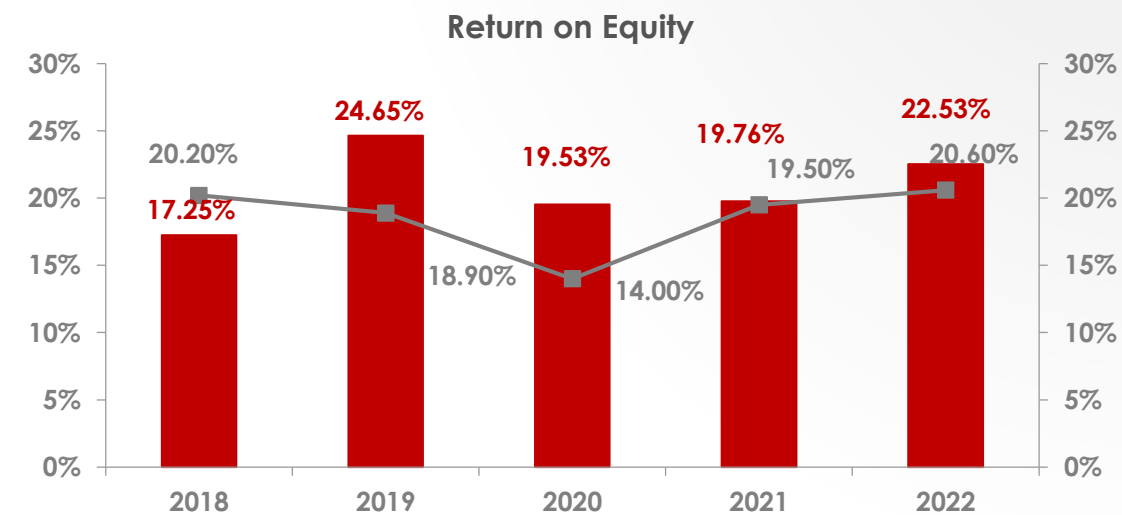
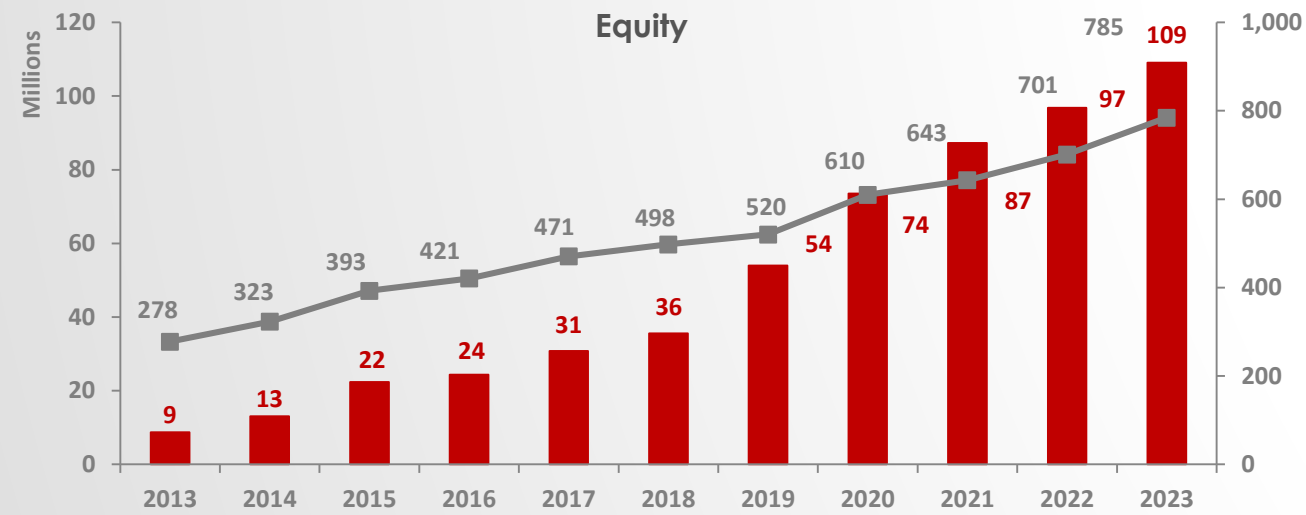


A higher annual average growth rate of 16.93% on total loans compared to 9.45% of sector between 2012-2022

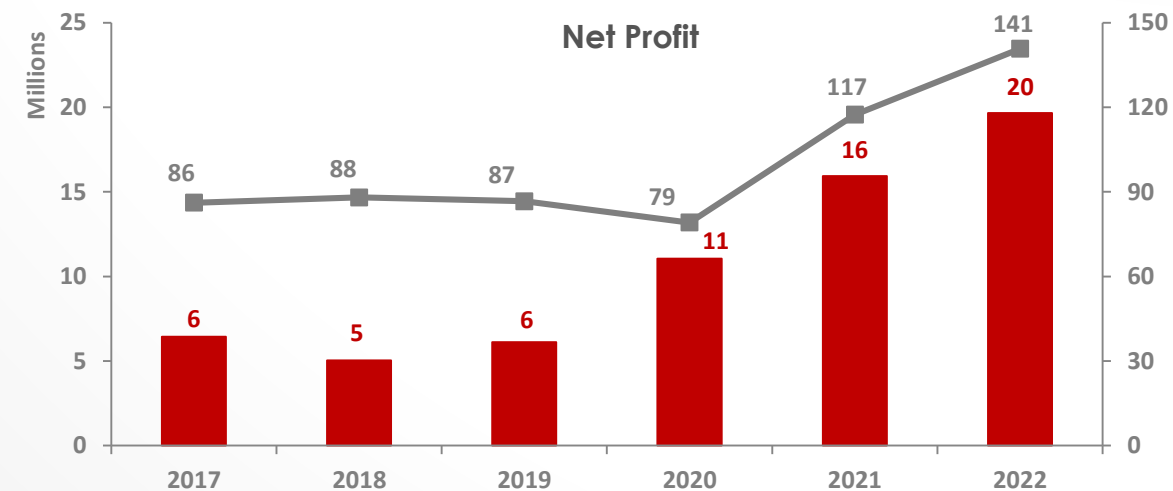
A higher annual average growth rate of 16.32% on total deposits compared to 9.29% of sector, between 2012-2022



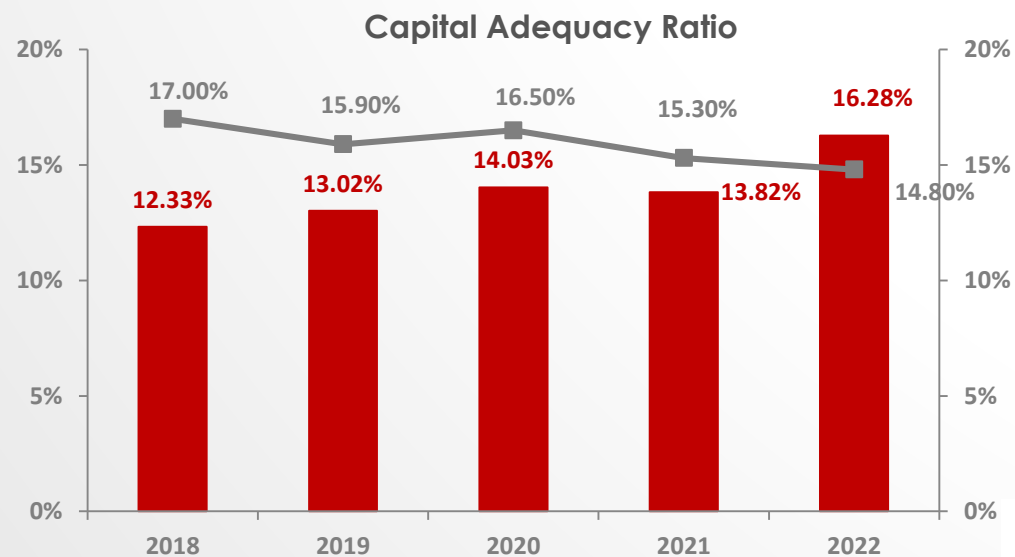
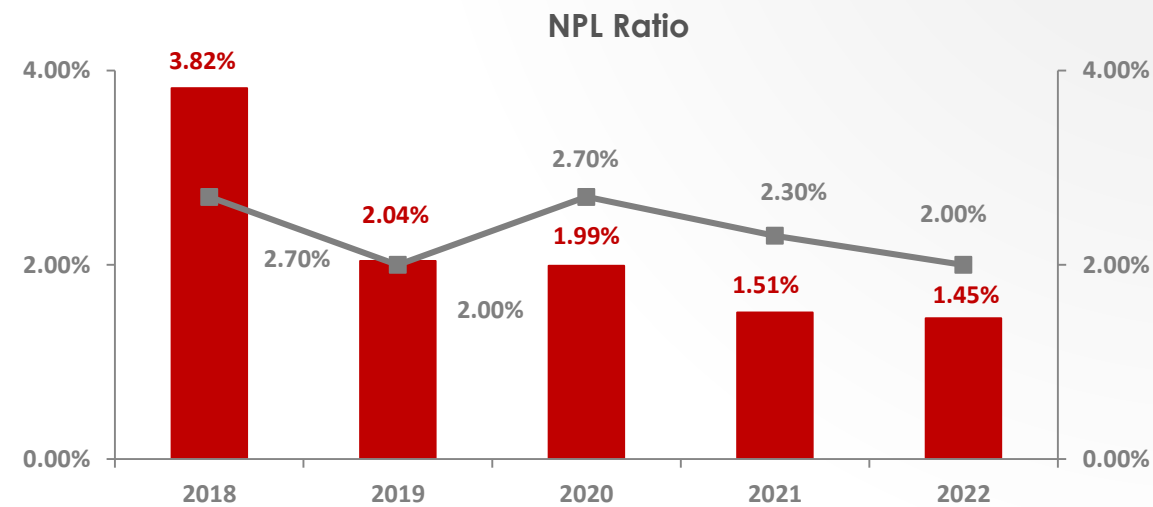
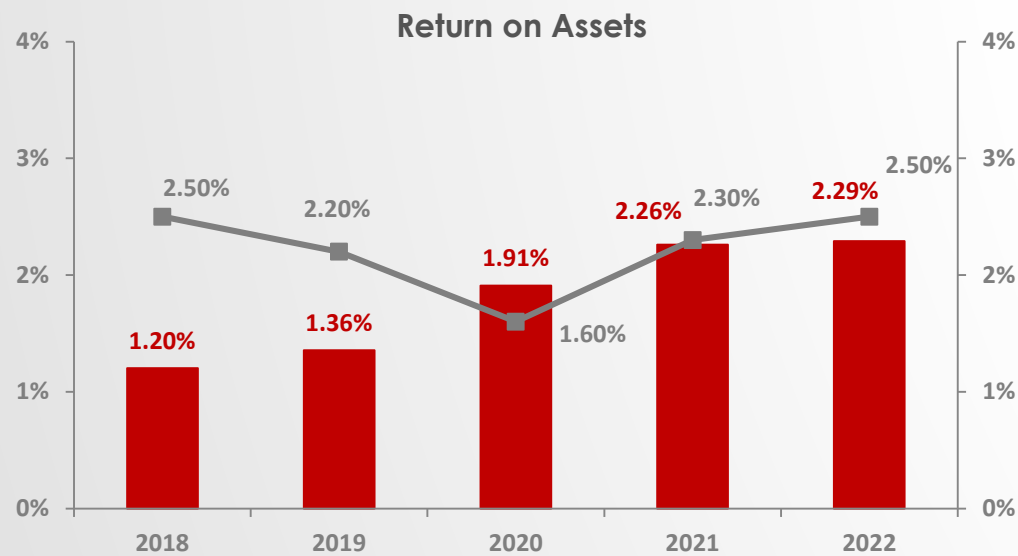
# FINANCIAL FIGURES FOR BKT AND SECTOR



A higher annual average growth rate of 32.54% on equity compared to 10% of sector between 2012-2022



# FINANCIAL RATIOS FOR BKT AND SECTOR



# PIONEERING SECTOR

- BKT Kosovo introduced the **Digital Banking Products such as Digital Account, Digital Loan, Digital Credit Card & Digital Overdraft.**
- BKT Kosovo entered into **partnerships** with auto dealers, construction and real-estate companies to expand its network by introducing **Merchant Loan.**
- **Private Banking Department** was established in order to provide customized services to a special segment of clients by differentiating products and services.
- **Multicurrency deposit:** Clients can convert their investments to multiple currencies including **XAU** while contracting term deposits without losing accrued interests.
- **Pika saving account:** Saving account with overnight remuneration possibility.
- **SMART Invest:** BKT pioneered in the launching of the first and the only local investment platform including **Demo** version, which opened doors for citizens of Kosovo to access international financial markets with possibility of EUR and USD accounts.
- BKT increased the number of **remittances channels** by offering services in **10 currencies** from correspondent banks domiciled in different countries and payment companies.
- Bank offers **insurance** and **pension** products to its clients by engaging in all sub-sectors of financial industry.
- BKT Kosovo entered into a partnership with **Green for Growth** to promote and pioneer **green loans.**
- **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:** "Best Bank in Kosovo 2021"
- **Euromoney Global Private Banking Awards 2023:** "Best for High Net Worth Individuals in Kosovo"
- **EMEA Finance - Europe Banking Awards 2022:** "The Best Bank 2022"
- **Global Finance:** "The Best Bank in Kosovo for 2021, 2022 and 2023"
- **Global Finance – The Innovators**
  - "Outstanding Innovator in FX and Trading for Smart Invest Platform"
  - "Top Financial Innovations: Consumer Finance"
  - "Top Financial Innovations: Foreign Exchange"
- **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 - 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"
  - "Most Admired Retail Banking Brand, Kosovo – 2023"
  - "Best Digital Banking Brand, Kosovo – 2023"
- **Global Business Review Magazine:**
  - "Best Bank in Kosovo 2021"
  - "Banking CEO of The Year Kosovo 2021"
- **The Global Economics:**
  - "Best Mobile Banking Application"
  - "Best Retail Bank"
- **International Business Magazine Award:** "Best Bank Kosovo 2022"
- **World Business Outlook Awards 2023:** "Best Retail Banking Award Kosovo 2023"
- **Finance Derivative Magazine:** "Best Digital Bank Kosovo 2023"
- **Cosmopolitan The Daily Business Awards 2021:**
  - "Best Bank in Kosovo 2023"
  - "Best Digital Bank - Kosovo 2021"
  - "Best Retail Bank - Kosovo 2021"
  - "Best E-Banking Products - Kosovo 2021"
  - "Most Innovative Digital Transformation Bank - Kosovo 2021"
- **World Confederation of Business (WORLDCOB):** "THE BIZZ HYBRID Business Excellence Award"
- **ICERTIAS:** "Best Buy Award 2021/2022"

# PARTNERSHIPS AND MEMBERSHIPS

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

- Kosovo Credit Guarantee Fund;
- Kosovo Pension Savings Trust;
- Slovenian-Kosova Pension Fund: a partnership for both clients and bank's employee;
- American Chamber of Commerce in Kosovo
- Kosovo Turkey Chamber of Commerce;
- Green for Growth Fund (GGF): Subordinated Loan with the purpose of financing energy efficiency and renewable energy projects in Albania and Kosova;
- Keiretsu Forum Southeast Europe; cooperation agreement, with the aim of supporting and financing Start-up businesses;
- Olympic Committee of Kosovo: BKT Kosova Premium partner of the Olympic Committee of Kosovo;
- Turk Eximbank: The sole partner of Facility Agreement for the financing of trade transactions towards Turkey;
- 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);
- 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;

# BKT KOSOVA FI CONTACTS

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