

Banka Kombetare Tregtare sh.a.

**Independent Auditors' Review Report
and
Condensed Consolidated Interim
Financial Information
as at and for the three-month period ended
31 March 2021**

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Independent Auditor's Review Report

To the Shareholders and Board of Directors of Banka Kombetare Tregtare Sh.a.

We have reviewed the accompanying condensed consolidated interim statement of financial position of Banka Kombetare Tregtare Sh.a (hereafter referred as the “Bank” or the “Group”) as of 31 March 2021 and the related condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of the condensed consolidated interim financial information in accordance with the International Financial Reporting Standards. Our responsibility is to express a conclusion on the condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

The Bank has treated its share capital issued in United States Dollar (USD) as a monetary item in the condensed consolidated interim financial information and recognized the revaluation differences for the three-month period ended 31 March 2021 within net profits in the condensed consolidated interim statement of profit or loss and other comprehensive income. This treatment is not in accordance with International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates" which requires share capital to be treated as a non-monetary item and carried at the exchange rate of the date of the transaction. Had the Bank treated its share capital in accordance with IAS 21 requirements, the share capital as at 31 March 2021 would have been increased by USD 21,215,580 retained earnings would have been decreased by USD 33,132,426 and the net profit would have been increased by USD 11,916,846 for the three month period ended 31 March 2021. Nevertheless, this would not have affected the total shareholders' equity.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* section of our report, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information does not give a true and fair view of the financial position of the Bank as at 31 March 2021 and of its financial performance and its cash flows for the three-month period then ended in accordance with International Financial Reporting Standards.

Grant Thornton sh.p.k.

Tirana, Albania

9 August 2021

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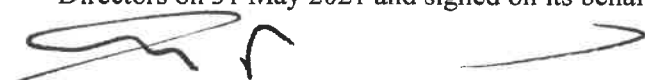
Banka Kombetare Tregtare sh.a.

Condensed consolidated interim statement of financial position as at 31 March 2021
(amounts in USD)

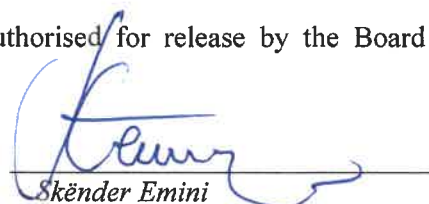
	31 March 2021	31 December 2020
Assets		
Cash and balances with Central Bank	390,738,282	465,266,853
Placement and balances with banks	284,250,282	556,699,226
Investment securities	2,266,963,295	2,185,679,756
Loans to banks	380,465,636	260,906,427
Loans to customers	1,310,610,590	1,359,092,079
Investment in associates	989,989	1,036,370
Property and equipment	44,422,563	47,655,825
Intangible assets	4,472,948	4,159,451
Right of use asset	16,002,132	17,335,396
Deferred tax assets	2,006,707	2,369,463
Other assets	47,642,144	51,346,977
Total assets	4,748,564,568	4,951,547,823
Liabilities and shareholder's equity		
Liabilities		
Customer deposits	3,838,800,684	3,982,476,397
Due to banks and financial institutions	293,959,424	315,857,527
Due to third parties	9,821,934	2,007,320
Accruals and other liabilities	21,720,787	59,659,449
Lease liabilities	16,200,064	17,546,271
Subordinated debt	29,798,209	30,741,975
Total liabilities	4,210,301,102	4,408,288,939
Shareholder's equity		
Share capital	300,000,000	300,000,000
Legal reserve	33,508,017	34,860,433
Translation reserve	(549,964)	5,486,005
Fair value reserve and impairment of FVOCI	49,582,929	68,828,993
Retained earnings	134,250,648	58,776,413
Net profit for the period	21,471,836	75,307,040
Total shareholder's equity	538,263,466	543,258,884
Total liabilities and shareholder's equity	4,748,564,568	4,951,547,823

The condensed consolidated interim statement of financial position is to be read in conjunction with the notes set out in pages 6 to 10 that form part of the condensed consolidated interim financial information.

The condensed consolidated interim financial information was authorised for release by the Board of Directors on 31 May 2021 and signed on its behalf by:



Seyhan Pencabligil
CEO and Board Member



Skënder Emini
Head of Finance Group

Banka Kombetare Tregtare sh.a.

Condensed consolidated interim statement of comprehensive income for the three-month period ended 31 March 2021

(amounts in USD)

	Three-month period ended 31 March 2021	Three-month period ended 31 March 2020	Year ended 31 December 2020
Interest			
Interest income	40,788,279	36,071,303	154,612,644
Interest expense	(5,204,781)	(6,537,890)	(20,951,646)
Net interest margin	35,583,498	29,533,413	133,660,998
Non-interest income, net			
Fees and commissions, net	7,219,851	5,941,311	20,884,362
Foreign exchange revaluation, net	2,936,274	11,044,294	(5,666,549)
Foreign exchange trading activities income, net	40,970	541,658	2,018,274
Securities trading gain, net	555,897	2,175,134	11,683,092
Other (expense)/income, net	323,008	(682,737)	8,954,136
Total non-interest income, net	11,076,000	19,019,660	37,873,315
Operating expenses			
Personnel expenses	(6,095,374)	(5,549,040)	(22,347,090)
Administrative expenses	(8,570,350)	(7,375,611)	(33,162,276)
Depreciation and amortization	(2,439,695)	(2,063,556)	(8,613,021)
Total operating expenses	(17,105,419)	(14,988,207)	(64,122,387)
Impairment of loans	(2,176,385)	(3,045,457)	(13,719,128)
Impairment losses on financial assets, other than loans to customers	(2,754,694)	(2,485,685)	(5,218,515)
Profit before taxes	24,623,000	28,033,724	88,474,283
Income tax	(3,151,164)	(3,983,658)	(13,167,243)
Net profit for the period	21,471,836	24,050,066	75,307,040
Foreign currency translation differences	(6,035,969)	(2,111,987)	4,914,506
Net change in fair value reserves and impairment of FVOCI	(19,246,064)	(38,807,735)	(13,272,359)
Other comprehensive income for the period, net of income tax	(25,282,033)	(40,919,722)	18,186,865
Total comprehensive income for the period	(3,810,197)	(16,869,656)	93,493,905

The condensed consolidated interim statement of comprehensive income is to be read in conjunction with the notes set out in pages 6 to 10 that form part of the condensed consolidated interim financial information.

Banka Kombetare Tregtare sh.a.

Condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2021

(amounts in USD)

	Share capital	Legal reserve	Translation reserve	Fair value reserve	Retained earnings	Total
Balance as at 31 December 2019	300,000,000	17,091,262	571,499	55,556,634	112,277,992	485,497,387
Transactions with owners recorded directly in equity						
Contributions by and distributions to owners						
Adjustment for translation of legal reserve		(1,455,096)			1,455,096	-
Appropriation of year 2019 translation difference	-	-	-	-	571,499	571,499
Adjustment of retained earnings with March 2020 exchange rate	-	-	-	-	(9,800,229)	(9,800,229)
Adjustment for translation of legal reserve	-	-	-	-	-	-
<i>Total transactions with owners recorded in equity</i>	-	<i>(1,455,096)</i>	-	-	<i>(7,773,634)</i>	<i>(9,228,730)</i>
Comprehensive income for the period						
Net profit for the period	-	-	-	-	24,050,066	24,050,066
Other comprehensive income / (expense), net of income tax						
Net change in fair value reserve	-	-	-	(38,807,735)	-	(38,807,735)
Foreign currency translation differences	-	-	(2,111,987)	-	-	(2,111,987)
Total other comprehensive income	-	-	<i>(2,111,987)</i>	<i>(38,807,735)</i>	-	<i>(40,919,722)</i>
<i>Total comprehensive income for the period</i>	-	-	<i>(2,111,987)</i>	<i>(38,807,735)</i>	<i>24,050,066</i>	<i>(16,869,656)</i>
Balance as at 31 March 2020	300,000,000	15,636,166	(1,540,488)	16,748,899	128,554,424	459,399,001

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the notes set out in pages 6 to 10 that form part of the condensed consolidated interim financial information.

Banka Kombetare Tregtare sh.a.

Condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2021

(amounts in USD)

	Share capital	Legal reserve	Translation reserve	Fair value reserve and impairment of FVOCI	Retained earnings	Total
Balance as at 31 December 2020	300,000,000	34,860,433	5,486,005	68,828,993	134,083,453	543,258,884
Transactions with owners recorded directly in equity						
Contributions by and distributions to owners						
Adjustment for translation of legal reserve		(1,352,416)			1,352,416	-
Appropriation of year 2020 translation difference	-	-	-	-	5,486,005	5,486,005
Adjustment of retained earnings with March 2021 exchange rate	-	-	-	-	(6,671,226)	(6,671,226)
<i>Total transactions with owners recorded in equity</i>	-	<i>(1,352,416)</i>	-	-	<i>167,195</i>	<i>(1,185,221)</i>
Comprehensive income for the period						
Net profit for the period	-	-	-	-	21,471,836	21,471,836
Other comprehensive income / (expense), net of income tax						
Net change in fair value reserve	-	-	-	(18,030,123)	-	(18,030,123)
Net change in impairment of FVOCI	-	-	-	(1,215,941)	-	(1,215,941)
Foreign currency translation differences	-	-	(6,035,969)	-	-	(6,035,969)
Total other comprehensive income	-	-	(6,035,969)	(19,246,064)	-	(25,282,033)
<i>Total comprehensive (loss)/income for the period</i>	-	-	<i>(6,035,969)</i>	<i>(19,246,064)</i>	<i>21,471,836</i>	<i>(3,810,197)</i>
Balance as at 31 March 2021	300,000,000	33,508,017	(549,964)	49,582,929	155,722,484	538,263,466

The condensed consolidated interim statement of changes in equity is to be read in conjunction with the notes set out in pages 6 to 10 that form part of the condensed consolidated interim financial information.

Banka Kombetare Tregtare sh.a.

Condensed consolidated interim statement of cash flows for the three-month period ended 31 March 2021
(amounts in USD)

	Three -month period ended 31 March 2021	Three -month period ended 31 March 2020	Year ended 31 December 2020
Cash flows from operating activities:			
Profit before taxes	24,623,000	28,033,724	88,474,283
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>			
Interest expense	5,204,781	6,537,890	20,951,646
Interest income	(40,788,279)	(36,071,303)	(154,612,644)
Depreciation and amortization	2,439,695	2,063,556	8,613,021
Gain on sale of investment securities	(555,896)	(2,175,134)	(2,969)
Gain on sale of non-current assets	(8,413)	(49,352)	(11,683,092)
Write-off of loans to customers	60,349	145,580	(284,543)
Write off of fixed assets and repossessed assets	18,413	-	897,063
Provision on other debtors	1,201,851	1,058,916	8,295
Reversal of other debtors	(242,771)	(40,234)	97,271
Movement in the fair value reserve and impairment of FVOCI	(19,246,064)	(36,453,841)	(359,938)
Dividend income from securities	(1,605,816)	-	13,272,359
Impairment of loans to customers	2,176,385	3,045,457	13,719,128
Impairment of financial instruments, other than loans	2,754,694	2,485,685	5,218,515
Cash flows from operating profits before changes in operating assets and liabilities	(22,362,255)	(31,419,056)	(15,691,605)
Decrease/(Increase) in operating assets:			
Restricted balances with central banks	-	-	(39,617,334)
Placements and balances with banks	256,755,889	50,004,550	41,908,969
Loans and advances to banks	(132,335,084)	(139,253,574)	(113,842,020)
Loans and advances to customers	(3,214,705)	(10,018,605)	(66,430,964)
Other assets	(4,838,197)	(4,484,065)	(7,035,880)
	116,367,903	(103,751,694)	(185,017,229)
Increase/(decrease) in operating liabilities:			
Customer deposits	9,396,211	138,203,440	288,185,254
Due to third parties	8,081,212	2,899,325	(509,904)
Accruals and other liabilities	3,089,233	4,091,312	1,268,936)
	20,566,656	145,194,077	288,944,286
Interest paid	(4,609,150)	(6,604,921)	(21,638,561)
Interest received	41,731,147	34,658,403	(154,652,026)
Income taxes paid	(3,397,807)	(3,129,700)	(12,445,524)
Net cash flows from operating activities	33,724,190	24,923,782	120,567,941
Cash flows from investing activities			
Purchases of investment securities	(209,543,384)	(134,447,898)	(791,418,149)
Purchases of treasury bills	(17,501,411)	(19,542,986)	(39,082,767)
Investment in associates	6,322	(96,067)	(57,932)
Purchases of property and equipment	(831,828)	(1,719,652)	(15,999,961)
Dividends income from securities	(1,605,816)	-	(1,597,323)
Proceeds from sale of investment securities	44,768,218	55,110,166	367,163,785)
Proceeds from sale of treasury bills	9,711,107	8,588,442	40,934,350
Net cash flows used in investing activities	(174,996,792)	(92,107,995)	(440,057,997)
Cash flows from financing activities			
Proceeds from short term borrowings	(10,005,784)	(12,116,232)	(44,264,257)
Dividend Payment	(40,000,000)	-	-
Subordinated debt	(131,759)	2,002,072	444,823
Net cash from financing activities	(50,137,543)	(10,114,160)	(43,819,434)
Net change in cash and Central Bank	(76,837,841)	(67,275,046)	(275,074,038)
Effects of exchange rate changes on the balance of cash held in foreign currencies / (Translation difference)	2,309,270	3,088,331	5,128,035
Cash and Central Bank at the beginning of the year	465,266,853	380,047,094	941,934,287
Cash and Central Bank at the end of the period	390,738,282	315,860,379	671,988,285

The condensed consolidated interim statement of cash flows is to be read in conjunction with the notes set out in pages 6 to 10 that form part of the condensed consolidated interim financial information.

Banka Kombetare Tregtare sh.a.

Explanatory notes as of and for the three-month period ended 31 March 2021

(amounts in USD, unless otherwise stated)

1. General

Banka Kombetare Tregtare sh.a (the “Bank”) is a commercial bank offering a wide range of universal services. The Bank provides banking services to state and privately owned enterprises and to individuals in Albania and in Kosovo. The condensed consolidated interim financial statements comprise the bank in Albania and in Kosovo and its associate Albania Leasing (together referred to as the “Bank” “BKT” or the “Group”).

2. Share capital

The Bank’s share capital is issued and maintained in United States Dollars (“USD”) as allowed by the legislation in Albania as well as by a special Law no. 8634 between the Bank’s shareholders and the Republic of Albania on the Bank’s privatisation. Furthermore, the Operating Policy Guidelines of the Bank require that the share capital be hedged by USD assets and it is therefore treated as a monetary item, with the revaluation difference being taken to the profit and loss account together with the revaluation difference of the corresponding USD asset, which offset each other in a natural hedge.

The suspended dividend payment for the year 2020 was paid in January 2021 following the respective Bank of Albania decision.

As at 31 March 2021 and 31 December 2020, the registered share capital was USD 300,000,000.3 divided into 24,291,498 shares with a nominal value of USD 12.35, while the shareholding structure was as follows:

	31 March 2021			31 December 2020		
	No. of shares	Total in USD	%	No. of shares	Total in USD	%
Calik Finansal Hizmetler A.S.	24,291,498	300,000,000.3	100	24,291,498	300,000,000.3	100

3. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”. They do not include all the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Bank as at and for the year ended 31 December 2020.

4. Functional and presentation currency

The financial statements are prepared in Albanian Lek “Lek” which is the currency of the primary economic environment in which the Bank operates (its functional currency). For reporting purposes these condensed consolidated interim financial statements are presented in USD which is the presentation currency.

The results and financial position of the Bank are translated in the presentation currency by translating (i) assets and liabilities at the closing rate at the date of that statement of financial position; and (ii) income and expenses at exchange rates at the dates of the transactions. All resulting exchange differences from the translation to the presentation currency are recognised in other comprehensive income.

The main exchange rates as at the end of each reporting period were as follows:

	31 March 2021	31 December 2020	31 March 2020
USD/LEK	104.91	100.84	118.75
EUR/LEK	101.89	123.70	130.66

Banka Kombetare Tregtare sh.a.

Explanatory notes as of and for the three-month period ended 31 March 2021

(amounts in USD, unless otherwise stated)

5. Going Concern

During the beginning of 2020, the pandemic of COVID-19 was spread globally. In response to the situation, in March 2020 the Government of Albania took drastic measures by suspending all activities that were not vital. Furthermore, facing the consequences of the COVID-19 Pandemic, which go far beyond the crucial element of public health, both the Government of Albania and Bank of Albania implemented immediate measures in order to mitigate the social and economic impact of the outbreak. The government announced a sovereign guarantee to all the business which are facing liquidity problems and will seek financing. Bank of Albania has announced that customers that will face liquidity problems can request a postponement of the settlement of their liabilities toward the Banks until 31.08.2020.

The Group considers the liquidity risk in the recovery plans, in the internal capital adequacy assessment process, setting well-defined limits on its appetite for risk. The Group determines that its capital resources are available.

In terms of liquidity scenarios, the Group conducts periodically stress tests exercises to assess its liquidity position. In these exercises it considers a liquidity crisis scenario specific to BKT and a liquidity crisis scenario to the entire banking system, assuming withdrawal of deposits of at least 20% and delay in loan repayments. Through the first quarter of 2021, the exercises have confirmed that even if the liquidity stress situation would continue for a period of 3 months, the Group would meet the demand for funds for its 3 main currencies ALL, EUR and USD.

The Group performs stress test exercises to test the possible impact of macroeconomic indicators in Group's key financial position, performance and regulatory compliance. These stress tests are mainly focused on the impact that some outlined macro and microeconomic scenarios might have on the loan portfolio, being the Group's main source of income, financial position including market risk. Official forecast models of the Central Bank and Group's internal risk valuation are used in these exercises.

In various stress test scenarios, the CAR in both, baseline and adverse scenarios, have resulted above the minimum requirement threshold set by Bank of Albania. The Group has assumed that there is no need the capital requirements be increased.

In May 2021 the bank has approved the internal capital adequacy assessment process as at 31.12.2020.

In the stress test scenarios considering the pandemic extent, the CAR in both, baseline and adverse scenarios, have resulted above the minimum requirement threshold set by Bank of Albania. The Group has assumed that there is no need the capital requirements be increased.

For the year ending 2021, the Group would expect an increase on the nonperforming loans portfolio due to the economic downturn. Following the emergence of COVID - 19 pandemics, the Group has analysed and considered the macroeconomic changes to reflect the impact of COVID - 19 in the calculation of the Expected Credit Loss.

During 2020 and the first quarter of 2021, the Group has managed to achieve the budgeted results, exceeding them in terms of profitability and balance sheet size. For the year ending 2021, the Group expects the budgeted figures to be standing at positive results, although not possible to be reliably measured at the moment.

As regards to the Investment Securities portfolio, in 2021 the Management expect a stable performance of the fair value reserve.

The Group's management evaluates the Group's ability to continue as a going concern considering all the factors stated above and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the Consolidated Financial Statements continue to be prepared on the going concern basis.

Banka Kombetare Tregtare sh.a.

Explanatory notes as of and for the three-month period ended 31 March 2021

(amounts in USD, unless otherwise stated)

6. Significant accounting policies

The Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 31 December 2020.

7. Estimates

The preparation of this condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except as described in section below, in preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2020.

During 2021 the Bank has performed an internal study on corporate portfolio and produced internal average default rates based on the period 2012 -2020 and global default rates based on historical data 2008 – 2020. For the rest of the loan portfolio and other financial assets BKT applied external average default rates and global default rates obtained from rating agencies.

8. Financial risk management

During the three months ended 31 March 2021 the Bank's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2020.

9. Fair value of financial assets

The Bank's investment securities portfolio as at 31 March 2021 includes investment securities - measured at FVOCI amounting USD 1,977,601,210 (31 December 2020: USD 1,946,518,372); investment securities - measured at FVTPL amounting USD 97,227,333 (31 December 2020: USD 74,800,810) and investment securities - measured at amortised cost amounting USD 192,134,752 (31 December 2020: USD 164,360,574).

10. Impairment of financial assets

a) Impairment of financial assets measured at amortised cost

At each reporting date, the Bank assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired.

As at 31 March 2021, the impairment for loan losses was USD 70,008,184 (31 December 2020: USD 70,691,386) and the impairment for other financial assets was USD 6,464,784 (31 December 2020: USD 2,910,788).

b) Impairment of financial assets measured at FVOCI

Following the requirements of the standard "*IFRS 9-Financial Instruments*", impairment of FVOCI represents the impairment provision for debt securities measured at FVOCI recognised in other comprehensive income.

As at 31 March 2021, the impairment of FVOCI at 4,954,469 USD (31 December 2020: USD 6,170,410) was composed of available-for-sale securities impairment provision at 4,844,950 USD (31 December 2020: USD 5,916,152) and treasury bills available-for-sale impairment provision at 109,519 USD (31 December 2020: USD 254,258).

Banka Kombetare Tregtare sh.a.

Explanatory notes as of and for the three-month period ended 31 March 2021

(amounts in USD, unless otherwise stated)

11. Seasonality of operations

The Bank's activity is not subject to seasonal fluctuations.

12. Income tax

The Bank's effective tax rate for the three months ended 31 March 2021 was 12.80 per cent (for the three months ended 31 March 2020: 14.21 per cent), while the income tax rate in Albania is 15%.

13. Contingencies

In the normal course of business, the Bank is presented with legal claims and litigation; the Bank's management is of the opinion that no material losses will be incurred in relation to legal claims outstanding as at 31 March 2021.

14. Related party transactions

In accordance with IAS 24 "Related Party Disclosures", a related party is any party that has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Identity of related parties

The Bank has related party relationships with its shareholders and affiliates, directors and executive officers. The Bank's sole shareholder is Calik Finansal Hizmetler, which is owned by Calik Holding at 100% as at 31 March 2021. The ultimate controlling party is Mr. Ahmet Calik.

ALBtelecom Sh.a., Eagle Mobile Sh.a., Albania Leasing, Aktif Yatirim Groupasi A.S. ("AktifGroup"), GAP Pazarlama FZE, Gap İnşaat Yatırım ve Dış Ticaret A.Ş., Calik Elektrik Dagitim A.S and Calik Enerji Sanayi Ve. Ticaret A.S, Kosovo Electricity Distribution and Supply Company J.S.C (KEDS) and Kosovo Electricity Supply Company J.S.C (KESCO) are controlled by Calik Holding.

Balances and transactions with related parties

	31 March 2021	31 December 2020
Assets		
<i>Placement and balances with banks:</i>		
Current accounts with Aktifbank	195,608	90,492
<i>Loans to customers:</i>		
ALBtelecom	38,716,472	40,557,456
Albania Leasing	17,946	23,720
<i>Other assets:</i>		
Receivables from ALBtelecom Sh.a	10,532	5,716
Total assets	38,940,558	40,677,384
Liabilities		
<i>Due to banks and financial institutions:</i>		
Borrowings from Aktifbank	11,739,607	10,426,923
<i>Customer deposits:</i>		
Albtelecom Sh.a.	791,113	379,803
Albania Leasing	164,209	203,579
KEDS / KESCO	6,773,855	19,907,278
<i>Other Liabilities:</i>		
Dividend Payable to Calik Finansal Hizmetler A.S.	-	40,000,000
Total liabilities	19,468,784	70,917,583

Banka Kombetare Tregtare sh.a.

Explanatory notes as of and for the three-month period ended 31 March 2021

(amounts in USD, unless otherwise stated)

14. Related party transactions (continued)

	Three months period ended 31 March 2021	Three months period ended 31 March 2020
Statement of comprehensive income		
Interest income from:		
ALBtelecom Sh.a.	484,507	459,928
Albania Leasing	240	1,131
Interest expenses for:		
Albtelecom Sh.a. and Eagle Mobile Sh.a.	-	(91)
Aktifbank	(423)	(107,520)
Fees and commissions:		
Account maintenance and lending fees from ALBtelecom Sh.a. and Eagle Mobile Sh.a.	16,802	15,020
Account maintenance and lending fees from Albania Leasing	1,479	525
Account maintenance and lending fees from KEDS / KESCO	22,261	10,721
Letters of guarantee:		
ALBtelecom Sh.a.	195	342
Other income:		
Operating lease income from ALBtelecom Sh.a.	16,410	15,578
Operating expenses:		
ALBtelecom Sh.a., Eagle Mobile Sh.a. and Calik Holding	(299,798)	(255,723)
Net	241,673	139,911

Balances and transactions with directors and executive officers

The remuneration of directors and executive officers is included in personnel expenses and is detailed as follows:

	Three-month period ended 31 March 2021	Three-month period ended 31 March 2020
Directors	456,920	388,019
Executive officers	859,235	758,719
	1,316,155	1,146,738

The remuneration of directors and executive officers for the year ended 31 December 2020 was USD 4,403,168.

As at 31 March 2021, the total deposits of directors held with the Bank were USD 3,146,939 (31 December 2020: USD 3,112,460), while the outstanding loans granted to directors were USD 378,958 (31 December 2020: USD 412,769).

15. Subsequent events

There are no events subsequent to the reporting date that would require either adjustments or additional disclosures in the condensed consolidated interim financial information.