

**Banka Kombetare Tregtare sh.a.**

**Independent Auditors' Review Report  
and  
Condensed Consolidated Interim  
Financial Information  
as at and for the six-month period ended  
30 June 2020**

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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 30 June 2020 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 six-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 special purpose interim financial information and recognized the revaluation differences for the six-month period ended 30 June 2020 within net profits in the consolidated 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 30 June 2020 would have been increased by USD 4,056,170 retained earnings would have been decreased by USD 10,238,150 and the net profit would have been increased by USD 6,181,980 for the six-month period ended 30 June 2020. 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 30 June 2020 and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards.

**Grant Thornton sh.p.k.**

Tirana, Albania

21 August 2020

*Mledian Kodva, FCCA*



## Banka Kombetare Tregtare sh.a.

Condensed consolidated interim statement of financial position as at 30 June 2020

(amounts in USD)

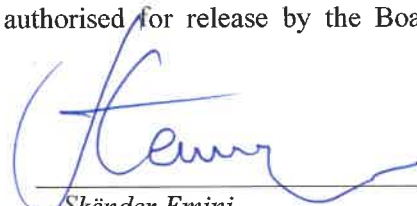
	30 June 2020	31 December 2019
<b>Assets</b>		
Cash and balances with Central Bank	365,843,735	380,047,094
Placement and balances with banks	302,296,829	873,788,983
Investment securities	2,104,494,146	1,595,645,317
Loans to banks	297,656,906	129,313,651
Loans to customers	1,177,654,507	1,208,566,427
Investment in associates	913,084	904,121
Property and equipment	40,802,019	42,499,993
Right of use asset	8,708,015	9,896,345
Intangible assets	3,674,393	4,411,195
Deferred tax assets	1,551,103	2,081,927
Other assets	43,773,824	45,416,971
<b>Total assets</b>	<b>4,347,368,561</b>	<b>4,292,572,024</b>
<b>Liabilities and shareholder's equity</b>		
<b>Liabilities</b>		
Customer deposits	3,380,175,457	3,409,397,079
Due to banks and financial institutions	397,193,095	337,482,014
Due to third parties	3,412,157	2,372,307
Accruals and other liabilities	60,208,734	19,776,329
Lease Liability	8,945,162	9,961,323
Subordinated debt	28,081,253	28,085,585
<b>Total liabilities</b>	<b>3,878,015,858</b>	<b>3,807,074,637</b>
<b>Shareholder's equity</b>		
Share capital	300,000,000	300,000,000
Legal reserve	31,683,876	17,091,262
Translation reserve	184,919	571,499
Fair value reserve	46,262,901	55,556,634
Retained earnings	91,221,007	112,277,992
<b>Total shareholder's equity</b>	<b>469,352,703</b>	<b>485,497,387</b>
<b>Total liabilities and shareholder's equity</b>	<b>4,347,368,561</b>	<b>4,292,572,024</b>

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 29 July 2020 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 six-month period ended 30

June 2020

(amounts in USD)

	Six-month period ended 30 June 2020	Three-month period ended 30 June 2020	Six-month period ended 30 June 2019	Three-month period ended 30 June 2019
Interest				
Interest income	71,563,546	35,492,243	74,575,509	36,779,741
Interest expense	(12,240,926)	(5,703,036)	(14,173,760)	(7,437,251)
<b>Net interest margin</b>	<b>59,322,620</b>	<b>29,789,207</b>	<b>60,401,749</b>	<b>29,342,490</b>
Non-interest income, net				
Fees and commissions, net	10,942,481	5,001,170	9,400,946	4,823,241
Foreign exchange revaluation, net	3,074,665	(7,969,629)	264,396	(3,780,720)
Foreign exchange trading activities income, net	1,462,487	920,829	(2,226,471)	(530,228)
Securities trading gain, net	7,687,796	5,512,662	799,772	420,775
Other (expense)/income, net	787,379	1,470,116	(2,391,700)	(1,536,794)
<b>Total non-interest income, net</b>	<b>23,954,808</b>	<b>4,935,148</b>	<b>5,846,943</b>	<b>(603,726)</b>
Operating expenses				
Personnel expenses	(10,226,498)	(4,677,458)	(9,943,786)	(5,071,701)
Administrative expenses	(14,939,414)	(7,563,803)	(13,686,519)	(6,730,737)
Depreciation and amortization	(4,032,197)	(1,968,641)	(3,880,888)	(2,569,570)
<b>Total operating expenses</b>	<b>(29,198,109)</b>	<b>(14,209,902)</b>	<b>(27,511,193)</b>	<b>(14,372,008)</b>
Impairment of loans	(5,287,858)	(2,242,401)	(2,094,619)	(972,005)
Impairment of other financial instruments	(4,714,710)	(2,229,025)	293,597	723,063
<b>Profit before taxes</b>	<b>44,076,751</b>	<b>16,043,027</b>	<b>36,936,477</b>	<b>14,117,814</b>
Income tax	(6,160,710)	(2,177,052)	(5,623,782)	(2,158,322)
<b>Net profit for the period</b>	<b>37,916,041</b>	<b>13,865,975</b>	<b>31,312,695</b>	<b>11,959,492</b>
Foreign currency translation differences	(386,580)	1,725,407	375,145	820,733
Net change in fair value reserves	(9,293,733)	29,514,002	20,818,067	1,247,305
<b>Other comprehensive income for the period, net of income tax</b>	<b>(9,680,313)</b>	<b>31,239,409</b>	<b>21,193,212</b>	<b>2,068,038</b>
<b>Total comprehensive income for the period</b>	<b>28,235,728</b>	<b>45,105,384</b>	<b>52,505,907</b>	<b>14,027,530</b>

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 six-month period ended 30 June 2020

*(amounts in USD)*

	Share capital	Legal reserve	Translation reserve	Fair value reserve	Retained earnings	Total
<b>Balance as at 31 December 2018</b>	<b>300,000,000</b>	-	<b>119,742</b>	<b>24,707,662</b>	<b>109,905,208</b>	<b>434,732,612</b>
<b>Transactions with owners recorded directly in equity</b>						
Contributions by and distributions to owners						
Increase in share capital	-	-	-	-	-	-
Creation of legal reserve	-	17,242,034	-	-	(17,242,034)	-
Distribution of dividend	-	-	-	-	(35,000,000)	<b>(35,000,000)</b>
Appropriation of year 2018 translation difference	-	-	-	-	119,742	<b>119,742</b>
Adjustment of retained earnings with June 2019 exchange rate	-	-	-	-	(861,131)	<b>(861,131)</b>
<i>Total transactions with owners recorded in equity</i>	-	<i>17,242,034</i>	-	-	<i>(52,983,423)</i>	<b><i>(35,741,389)</i></b>
<b>Comprehensive income for the period</b>						
Net profit for the period	-	-	-	-	31,312,695	<b>31,312,695</b>
<b>Other comprehensive income / (expense), net of income tax</b>						
Net change in fair value reserve	-	-	-	20,818,067	-	<b>20,818,067</b>
Foreign currency translation differences	-	-	375,145	-	-	<b>375,671</b>
Total other comprehensive income	-	-	375,145	20,818,067	-	<b>21,193,738</b>
<i>Total comprehensive income for the period</i>	-	-	<i>375,145</i>	<i>20,818,067</i>	<i>31,312,695</i>	<b><i>52,505,907</i></b>
<b>Balance as at 30 June 2019</b>	<b>300,000,000</b>	<b>17,242,034</b>	<b>494,887</b>	<b>45,525,729</b>	<b>88,234,480</b>	<b>451,497,130</b>

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 six-month period ended 30 June 2020

*(amounts in USD)*

	Share capital	Legal reserve	Translation reserve	Fair value reserve	Retained earnings	Total
<b>Balance as at 31 December 2019</b>	<b>300,000,000</b>	<b>17,091,262</b>	<b>571,499</b>	<b>55,556,634</b>	<b>112,277,992</b>	<b>485,497,387</b>
<b>Transactions with owners recorded directly in equity</b>						
Contributions by and distributions to owners						
Increase in share capital	-	-	-	-	-	-
Creation of legal reserve	-	14,592,614	-	-	(14,592,614)	-
Distribution of dividend	-	-	-	-	(40,000,000)	<b>(40,000,000)</b>
Appropriation of year 2019 translation difference	-	-	-	-	571,499	<b>571,499</b>
Adjustment of retained earnings with June 2020 exchange rate	-	-	-	-	(4,951,911)	<b>(4,951,911)</b>
<i>Total transactions with owners recorded in equity</i>	-	<i>14,592,614</i>	-	-	<i>(58,973,026)</i>	<i><b>(44,380,412)</b></i>
<b>Comprehensive income for the period</b>						
Net profit for the period	-	-	-	-	37,916,041	<b>37,916,041</b>
<b>Other comprehensive income / (expense), net of income tax</b>						
Net change in fair value reserve	-	-	-	(9,293,733)	-	<b>(9,293,733)</b>
Foreign currency translation differences	-	-	(386,580)	-	-	<b>(386,580)</b>
Total other comprehensive income	-	-	(386,580)	(9,293,733)	-	<b>(9,680,313)</b>
<i>Total comprehensive (loss)/income for the period</i>	-	-	<i>(386,580)</i>	<i>(9,293,733)</i>	<i>37,916,041</i>	<i><b>28,235,728</b></i>
<b>Balance as at 30 June 2020</b>	<b>300,000,000</b>	<b>31,683,876</b>	<b>184,919</b>	<b>46,262,901</b>	<b>91,221,007</b>	<b>469,352,703</b>

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 six-month period ended 30 June 2020  
(amounts in USD)

	Six-month period ended 30 June 2020	Six-month period ended 30 June 2019
<b>Cash flows from operating activities:</b>		
Profit before taxes	44,076,751	36,936,477
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>		
Interest expense	12,240,926	14,173,760
Interest income	(71,563,546)	(74,575,509)
Depreciation and amortization	4,032,197	3,880,888
Gain on sale of property and equipment	-	(58,240)
Gain on sale of investment securities	(7,687,796)	(799,772)
Gain on sale of repossessed assets	(87,458)	(70,956)
Gain on recovery of lost loans	(231,896)	(230,552)
Write-off of property and equipment	-	1,163
Write-off of loans to customers	145,580	1,889,106
Write off of fixed assets and repossessed assets	-	19,746
Provision on other debtors	64,068	2,081,737
Reversal of other debtors	(148,535)	(195,808)
Movement in the fair value reserve	(8,053,558)	20,422,238
Impairment of loans	5,287,858	2,094,619
Impairment of other financial assets	4,714,710	(293,597)
Cash flows from operating profits before changes in operating assets and liabilities	<b>(17,210,699)</b>	<b>5,275,300</b>
(Increase)/decrease in operating assets:		
Restricted balances with central banks	480,333	(34,018,762)
Placements and balances with banks	(24,141,690)	6,245,682
Loans and advances to banks	(168,498,254)	38,789,092
Loans and advances to customers	6,248,822	4,422,726
Other assets	(4,334,859)	308,984
	<b>(190,245,648)</b>	<b>15,747,722</b>
Increase/(decrease) in operating liabilities:		
Customer deposits	41,171,377	53,326,607
Due to third parties	1,078,068	312,851
Accruals and other liabilities	(524,373)	(489,211)
	<b>41,725,072</b>	<b>53,150,247</b>
Dividend payment	-	(35,000,000)
Interest paid	(12,164,043)	(13,058,103)
Interest received	64,500,239	76,480,005
Income taxes paid	(6,011,661)	(6,716,913)
<b>Net cash flows from operating activities</b>	<b>(119,406,740)</b>	<b>95,878,258</b>
<b>Cash flows from investing activities</b>		
Purchases of investment securities	(543,201,860)	(161,515,831)
Purchases of treasury bills	(39,209,695)	(3,442,659)
Investment in associates	(27,502)	8,426
Purchases of property and equipment	(1,616,869)	(4,872,239)
Proceeds from sale of property and equipment	-	1,049
Proceeds from sale of investment securities	26,339,126	196,800,212
Proceeds from sale of treasury bills	20,262,125	14,031,626
<b>Net cash flows used in investing activities</b>	<b>(537,454,675)</b>	<b>41,010,584</b>
<b>Cash flows from financing activities</b>		
Proceeds from short term borrowings	66,140,172	(203,115)
Subordinated debt	573,149	(175,607)
<b>Net cash from financing activities</b>	<b>66,713,321</b>	<b>(378,722)</b>
<b>Net change in cash and cash equivalents</b>	<b>(590,148,094)</b>	<b>136,510,120</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies / (Translation difference)	4,838,469	209,859
<b>Cash and cash equivalents at the beginning of the year</b>	<b>941,934,287</b>	<b>710,266,192</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>356,624,661</b>	<b>846,986,171</b>

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 six-month period ended 30 June 2020

(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.

## 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.

Upon the Shareholder’s Decision dated 1 April 2020, the Bank created legal reserves of Lek 1,658,531 thousand (equivalent of USD 14,592,614) and decided to distribute Lek 4,690,400 thousand as dividends (equivalent of USD 40,000,000, using the exchange rate published by Bank of Albania as at 1 April 2020 - 117.26 Lek per USD), using of the statutory net profit for the year ended December 31, 2019 and part of the net profit of the year 2018. Meanwhile, the dividend payment is suspended based on the respective decisions of the Supervisory Council of Bank of Albania until 2020 end. The remaining part of the net profit of the year 2019 was kept as retained earnings.

As at 30 June 2020 and 31 December 2019, 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:

	30 June 2020			31 December 2019		
	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 2019.

## 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:

	30 June 2020	31 December 2019	30 June 2019
USD/LEK	110.95	108.64	107.69
EUR/LEK	124.34	121.77	122.65

## **Banka Kombetare Tregtare sh.a.**

Explanatory notes as of and for the six-month period ended 30 June 2020

*(amounts in USD, unless otherwise stated)*

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### **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 have prepared and implemented immediate measures in order to mitigate the social and economic impact of the outbreak. The government has 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 up to 6 months period.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Group for future periods.

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.

The activity of the Group has continued without suspension during 2020. For the year ending 2020, 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 March 2020 the decline in share prices on global listed stock exchanges negatively affected the fair value of the Group's listed investments. In the upcoming months, the sharp decline reversed gradually and for the year end 2020 the Management expects the deviation to its budgeted figures to be standing at positive results, although not possible to be reliably measured at the moment.

The Group's management has made an assessment of 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 Condensed Financial Statements continue to be prepared on the going concern basis.

### **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 2019, except for the effects of applying IFRS 16.

### **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 5.1, 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 2019.

## **Banka Kombetare Tregtare sh.a.**

Explanatory notes as of and for the six-month period ended 30 June 2020

(amounts in USD, unless otherwise stated)

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### **8. Financial risk management**

During the six months ended 30 June 2020 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 2019.

### **9. Fair value of financial assets**

The Bank's investment securities portfolio as at 30 June 2020 includes investment securities - measured at FVOCI amounting USD 1,766,715,080 (31 December 2019: USD 1,480,554,568); investment securities - measured at FVTPL amounting USD 140,342,116 (31 December 2019: 27,801,067) and investment securities - measured at amortised cost amounting USD 197,436,950 (31 December 2019: 87,289,682).

### **10. Impairment of financial assets**

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 30 June 2020, the impairment for loan losses was USD 56,545,217 (31 December 2019: USD 52,368,572) and the impairment for other financial assets was USD 7,915,408 (31 December 2019: USD 3,218,847).

### **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 six months ended 30 June 2020 was 13.98 per cent (for the six months ended 30 June 2019: 15.23 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 30 June 2020.

### **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 30 June 2019. The ultimate controlling party is Mr. Ahmet Calik.

ALBtelecom Sh.a., Albania Leasing, Aktif Yatirim Bankasi A.S. ("Aktifbank"), 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.

## Banka Kombetare Tregtare sh.a.

Explanatory notes as of and for the six-month period ended 30 June 2020

(amounts in USD, unless otherwise stated)

### 14. Related party transactions (continued)

#### Balances and transactions with related parties

	30 June 2020	31 December 2019
<b>Assets</b>		
<b>Placement and balances with banks:</b>		
Current accounts with Aktifbank	270,169	110,864
<b>Loans to customers:</b>		
ALBtelecom	36,615,474	37,360,984
Albania Leasing	62,072	107,715
<b>Other assets:</b>		
Receivables from ALBtelecom Sh.a	43,471	10,170
<b>Total assets</b>	<b>36,991,186</b>	<b>37,589,733</b>
<b>Liabilities</b>		
<b>Due to banks and financial institutions:</b>		
Borrowings from Aktifbank	13,448,220	-
<b>Customer deposits:</b>		
Albtelecom Sh.a.	813,073	532,664
Albania Leasing	176,213	285,740
KEDS / KESCO	8,223,148	13,727,846
<b>Other Liabilities:</b>		
Dividend Payable to Calik Finansal Hizmetler A.S.	40,000,000	-
<b>Total liabilities</b>	<b>62,660,654</b>	<b>14,546,250</b>
	<b>Six months period ended 30 June 2020</b>	<b>Six months period ended 30 June 2019</b>
<b>Statement of comprehensive income</b>		
<b>Interest income from:</b>		
KEDS / KESCO	-	5,198
ALBtelecom Sh.a.	898,893	231,962
Albania Leasing	2,059	4,311
Aktifbank	-	1,392,946
<b>Interest expenses for:</b>		
Albtelecom Sh.a.	(133)	(203)
Aktifbank	(337,050)	(1,213)
<b>Fees and commissions:</b>		
Account maintenance and lending fees from Albtelecom Sh.a.	34,347	30,577
Account maintenance and lending fees from Albania Leasing	1,564	1,772
Account maintenance and lending fees from KEDS / KESCO	23,393	9,446
<b>Letters of guarantee:</b>		
ALBtelecom Sh.a.	696	1,516
Calik Enerji Sanayi Ve. Ticaret A.S	-	10,192
<b>Other income:</b>		
Operating lease income from ALBtelecom Sh.a.	30,853	31,551
<b>Operating expenses:</b>		
ALBtelecom Sh.a. and Calik Holding	(754,376)	(704,306)
<b>Net</b>	<b>(99,754)</b>	<b>1,013,749</b>

## **Banka Kombetare Tregtare sh.a.**

Explanatory notes as of and for the six-month period ended 30 June 2020

*(amounts in USD, unless otherwise stated)*

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### **14. Related party transactions (continued)**

#### *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:

	<b>Six-month period ended 30 June 2020</b>	<b>Six-month period ended 30 June 2019</b>
Directors	576,847	112,750
Executive officers	1,182,836	1,680,796
	<b>1,759,683</b>	<b>1,793,546</b>

The remuneration of directors and executive officers for the year ended 31 December 2019 was USD 3,940,787.

As at 30 June 2020, the total deposits of directors held with the Bank were USD 2,203,390 (31 December 2019: USD 2,142,992), while the outstanding loans granted to directors were USD 175,579 (31 December 2019: USD 194,078).

### **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.