

FOREWORD BY THE GOVERNOR

Dear reader,

The Bank of Albania is a key institution in the economic and financial life of the country. It is tasked with the administration of the national currency, formulation and implementation of the monetary policy, regulation and supervision of the banking sector, regulation and promotion of the payment systems, as well as other duties that have an impact on the economy and the national or personal finances.

Through its policies and instruments, the Bank of Albania contributes to the currency value and loan price, promotes the development and supports the stability of the financial system, and contributes to sustainable growth and maintaining macroeconomic balances.

I am glad to affirm that, in the last year, positive steps were made across all the aspects listed above.

In the economic aspect, our monetary policy contributed to strengthening economic growth, in withstanding disinflationary shocks that Albania experienced in the first quarter, and creating adequate conditions for compliance with the inflation target in the medium-term horizon.

In the financial aspect, the banking sector made progress with regard to both cleaning the balance sheets and boosting credit growth. Moreover, this sector succeeded in maintaining sound liquidity, profitability, and capitalisation indicators. In parallel, during 2016, we consolidated further the legal and regulatory framework and safety nets in the banking sector, and advanced the payment system and its infrastructure.

These are tangible achievements, I believe, for a broad spectrum of economic and social stakeholders.

In addition, the Bank of Albania has made a substantial contribution to supporting European integration processes, public information, compiling and enriching statistics, financial literacy, and many other activities detailed in the next sections of the report.

These results may not be achieved without a strong, professional, motivated and responsible institution. These are the long-term basis of success in the vision of the Supervisory Council, the highest governing body of the Bank of Albania.

In 2016, we paid special importance to all the dimensions listed above.

The Bank of Albania conducts its activity based on a medium-term development strategy, accompanied by detailed three-year budget plans. The internal audit system, procedures, and monitoring are strengthened. They serve to enhance accountability and transparent communication with the Assembly of the Republic of Albania and the public. Our financial statements are measured and reported in full compliance with the best international practices. Furthermore, the Bank of Albania has continued to invest in the qualification and professional capacities of its staff.



Dear reader,

The Annual Report 2016 is a faithful description of our activities over 2016. The topics I mentioned briefly are elaborated in more detail in the next sections of the Report. I hope that, as you read it, you will see beyond the realisation of our commitment for transparency. It should be an open window of communication with the central bank, to keep the institution in a constant working and accountability position.

Gent SEJKO

Governor

