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## A. SUPERVISION MISSION

The supervisory function of the Bank of Albania-the central bank of the country-is sanctioned in the Law "On the Bank of Albania, no.8269 of 23.12.1997 and in the Law "On Banks in the Republic of Albania" no. 8365 of 02.07. 1998.

The Bank of Albania, in compliance with its legal responsibilities as the supervisory authority of banks and other financial institutions licensed by the central bank, is committed to:

- Ensuring a sound banking activity in harmony with the Bank of Albania's laws, rules and regulations, in order to protect depositors and prevent financial crises.
- Safeguarding the banking system stability and beyond, through continuous monitoring of market developments and recommending adequate measures for banks to smoothly adapt to such developments, and be continuously managed according to the best principles.
- Strengthening the public confidence in the banking system and promoting market discipline, requiring enhancement of transparency in the system.
- Promoting a fair competition in the banking system and beyond, and ensuring equal treatment of all licensed entities and their customers.
- Continuously and professionally communicating with financial market operators and other institutions influencing the Bank of Albania's activity, to constantly enhance the functioning of financial market and its operators.

The Bank of Albania fulfils its supervisory function through:

- a. Continuous expansion and enrichment of the supervision regulatory framework, for it to be easily implemented and enforced, and in full harmony with the best international practices.
- b. On-site inspections of licensed entities, off-site analyses of financial indicators and taking corrective action whenever needed.
- c. Supervisory process orientation towards identifying actual and potential risks to licensed entities, and recommending proper solutions.
- d. Policy making and implementation that guide the banking system towards desired developments.

- e. Cooperation with financial institutions under supervision, other relevant domestic institutions, and international supervisory authorities.
- f. Ongoing enhancement of supervisory capacities.

In compliance with the requirements of the supervisory function, the Bank of Albania strives for the highest levels of integrity, professionalism, efficiency and transparency.



## B. REGULATORY FRAMEWORK AND LICENSING PROCESS

### 1. OVERVIEW

The Law "On Banks in the Republic of Albania" and the continuous achievement of the medium and long term objectives of the Bank of Albania, further consolidated our work to revise the supervision regulatory framework. Successful efforts were made with regard to the compliance of the regulatory framework with laws in power, the integration and implementation of the revised Basel Committee Principles for effective supervision, new concepts of the New Capital Accord, European Council directives and the best practices in supervision regulation of financial institutions licensed by the Bank of Albania.

Drafting and revision of banking supervision regulations were completed through work-teams, comprised of specialists from the Supervision Department, Law Department, Foreign Relations, European Integration and Communication Department, and the Financial Stability Department. Cooperation with these departments aims at drafting regulatory acts in accordance with law drafting standards, European Union standards and guidelines, and obligations arising from the Stabilization and Association Agreement for European Union Integration. Throughout this process careful consideration was also paid to consequences of systemic financial crises, accumulated experience and banking supervision standards, EU and regional central banks' and supervisory authorities' models, etc.

The drafting and revision process of supervision regulations accommodates the opinion of the banking industry and other financial entities-opinion expressed in common round table discussions of the Bank of Albania, the Albanian Bankers' Association, banking industry and convergence project representatives (such as SPI Albania).

Year 2008 witnessed the drafting of several new regulations and the revision of some others.

### 2. NEW REGULATORY ACTS

- By decision no. 24, dated 26.03.2008, the Bank of Albania's Supervisory Council approved the Regulatory Act "On the Internal Audit System of

Banks and Foreign Banks' Branches". This regulation aims at defining the requirements of the supervisory authority with regard to internal audit, as an important component of responsible banking governance. Such requirements are intended to promote an adequate internal audit system to strongly assist the bank management process. The Regulation defines *the internal audit system* as an ongoing monitoring and evaluation process of policy adequacy and effectiveness, auditing mechanisms and procedures within a certain bank, and operation activities' standards-a function carried out by bank administration, management and supervision structures, as well as by individuals within the bank in charge of internal auditing. Coordination among bank structures' activities and auditing mechanisms and procedures ensures: monitoring of bank policy implementation by evaluating whether (and how) targets set by such policies are met; evaluation of banking and financial activities efficiency; identifying, measuring and monitoring of risk levels to effectively avert and manage such risks; proper, credible and accurate information of bank's financial situation and compliance with laws and by-laws in force; and the enforcement of internal policies, regulations and procedures, approved by the board of directors or management.

The regulation at hand (1) ensures a permanent, independent and unbiased internal audit system; (2) defines at a general level, the internal audit domain and the duties and responsibilities of the internal audit unit, as an integral and important part of the internal audit system, particularly regarding capital evaluation, compilation of an auditing plan based on risk assessment, and evaluation of available information, reporting and communicating results and following recommendations; and (3) the relations among the internal audit unit, the executive structures of the bank and the supervisory authority.

- By decision no. 31, dated 30.04.2008, the Bank of Albania's Supervisory Council approved the Regulatory Act "On Risk Management Arising from Large Exposures of Banks". This regulation was drafted based on and in compliance with the requirements of the law "On Banks in the Republic of Albania", which establishes new maximum allowed limits for large exposures, different from the ones required under the existing regulation. It takes into account the Basel Committee Standards on concentration risk exposure, European Directives, elements of risk evaluation and management according to the New Capital Accord (Pillar I), and other countries' experience with regard to regulating risk management arising from large exposures of banks.

The regulation is a merger of two previous regulations of the Bank of Albania "On monitoring significant risks" and "On the bank's relations with connected persons". It determines the criteria of the supervisory authority on calculating, supervising and reporting bank's large exposures to a connected person/customer or group of connected persons/customers, in order to properly manage the risk stemming from concentrated exposure to them.

The regulation provides changes to prudential standards related to large exposures, as required by the banking law. It stipulates some limitations on credit to counterparties of special relationship with the bank and the kind of collateral to be deducted when calculating such exposure. Moreover, some asset items and certain off-balance sheet commitments to a counterparty or group of counterparties are excluded or included in the calculation of large exposures (in reduced amounts). In a similar way, rights against multilateral development banks are treated differently, according to well-known Basel Committee criteria-Pillar I (standard method),-and supervisory and reporting requirements are set out, regarding continuous monitoring of large exposures.

Subject to such regulation are only banks; whereas risk monitoring and the activity of foreign banks' branches operating in the Republic of Albania are regulated separately.

- By decision no. 59, dated 29.08.2008, the Bank of Albania's Supervisory Council approved the Regulation "On the Transparency of Banking and Financial Products and Services". This regulation was drafted based on and in compliance with the requirements of the Law "On Banks in the Republic of Albania" and systemic problems with the transparency of banking products and services for the general public and bank customers.

The development level of the banking system brought about more complex and diverse banking products and services, which require the attention of the supervisory authority. Effective supervision, which aims at depositor protection, augmenting the public confidence in the system through promoting market discipline and transparency, sets the premises for consumer protection as well, when the latter uses banking products and services.

The regulation sets requirements on the way information about banking products and services is dispensed to customers. More specifically, the regulation spells out the requirements on publishing loan/deposit effective interest rates, loans effective interest rate calculation method, loan and deposit contract terms; products and services marketing; customer data confidentiality; dealing with customer grievances through establishing grievance structures, etc.

Setting requirements on the calculation and publishing of loan effective interest rates enables customers to compare and contrast market offers, informing them on costs, expenses, fees, etc. Furthermore, as stipulated in this regulation, banks are required to notify customers whenever interest rates change, etc.

- By decision no. 60, dated 29.08.2008, the Bank of Albania's Supervisory Council approved the Regulation "On the Minimum Requirements of Information Disclosure for Banks and Foreign Banks' Branches". This regulation was drafted based on and in compliance

with the requirements of the law "On Banks in the Republic of Albania", and the third pillar-Market Discipline-of the New Capital Accord (Basel II). The Basel Committee considers transparency an element of paramount importance, as a key indicator of an effectively supervised, safe and sustainable banking system, and a promoter of high standard publications.

The regulation specifies minimum requirements, methods and deadlines for information to be published in periodical reports of banks and foreign banks' branches, so as to enhance transparency and promote market discipline, as well as to ensure sustainability and confidence in the banking system.

The requirements of the supervisory authority for banks and foreign banks' branches information disclosure to the public and market participants can be structured in six main categories:

- a) the bank's main activity, overall organization and direction (governance);
  - b) financial performance;
  - c) financial situation (including capital, solvency and liquidity);
  - d) risk management practices and strategies;
  - e) risk exposures (including credit risk, market risks, liquidity risks, operational risks, other risks); and
  - f) accounting policies.
- By decision no. 91, dated 24.12.2008, the Bank of Albania's Supervisory Council approved the Regulation "On the minimum technical and security standards at the premises where banking and financial operations are conducted". This regulation defines the minimum requirements on technical and security standards of subjects licensed by the Bank of Albania to conduct banking and financial operations, in order to ensure regular and safe operating activities.

The regulation at hand supersedes the Guideline "On the minimum technical and security conditions at the work premises of entities licensed by the Bank of Albania". Drafting such a regulation was deemed necessary, based on the experience during on-site examinations, when new branches and agencies were set up.

The regulation unifies requirements on minimum technical and security standards of entities to avert operational risk and prevent operational losses due to the materialization of such risk, safeguarding the entity and its assets from robbery, natural disasters, terrorist acts, damages caused by information-and-communication systems' malfunctioning, etc.

The regulation stipulates technical and security standards in the cashier's area and for cash processing; for specialized security and defence personnel at the bank's premises; for the transportation and attendance of physical monetary values with specialized personnel, pursuant to the requirements

under the Law "On the physical defence and security service". The regulation also stipulates some new requirements on technical and security standards for foreign exchange bureaus and non-bank financial institutions.

### 3. CHANGES TO THE REGULATORY FRAMEWORK

- Decisions no. 61, 62 and 63, dated 29.08.2008, of the Bank of Albania's Supervisory Council sanctioned some important amendments to the Regulations "On Credit Risk Management", "On the Capital Adequacy Ratio", and "On Operational Risk Management at Branches of Foreign Banks". The changes are mostly related to credit risk management for banks and foreign banks' branches. Such changes complement the continuous efforts for stronger measures of the supervisory authority to minimize the risk stemming from the system banks' crediting activity.

The amendments provide specific measures for monitoring risk from foreign currency loans, or loans indexed with foreign exchange rates. Such risk is more viable when borrowers earn income in local currency. These are administrative, and prudential and supervision monitoring measures.

*The first ones* are mostly related to the administrative council, drawing its attention to foreign currency credit risk, in order to re-evaluate it when drafting credit risk management policies and strategies. Such measures also include guidelines and specific requirements on collateral and guarantees in specific cases.

*The second ones* are prudential and supervision monitoring measures, which consist in:

- a) *increasing capital expenditures for banks' credit portfolios, if exposed to foreign exchange risk:*
  - weighting such portfolios with 50% more risk, to calculate the capital adequacy ratio, and
  - such portfolios should not exceed 400 percent of the regulatory capital;
- b) *increasing the market share upper limit of foreign banks' branches, more specifically, to at least one of the following indicators in two consecutive quarters, in order to guarantee fair competition for these entities, as well:*
  - 6.25 percent of the banking system's assets, or
  - 6.25 percent of the banking system's deposits.

"A borrower exposed to foreign exchange risk" is defined in the Regulation "On credit risk management", based on some well-defined criteria of the supervisory authority, mandatory for banks and foreign banks' branches.

- By decision no. 72, dated 07.10.2008, the Bank of Albania's Supervisory Council approved some amendments to the regulation "On the management of risks arising from large exposures of Banks". These amendments were driven by the situation at the time and the problems the world financial systems were facing. They aim at preventing negative phenomena in the Albanian banking system. Amendments mostly consist in establishing more prudential limits on large exposure indicators, calculation methods and collateral types, so as to better distribute and diversify the risks stemming from the concentration of banks' investments in international financial markets, as follows:
  1. Deposit certificates issued by the bank itself or a bank managed by this bank;
  2. The bank's exposure to the parent company, the bank subsidiary and one or more subsidiaries of the parent company should not exceed 10 percent of the regulatory capital.
  3. There are excluded in reduced amounts with 20 percent of the exposure:
    - a) Rights against banks and financial institutions operating in OECD countries, and explicitly guaranteed by them, except when such rights, according to regulations in force, are part of their regulatory capital.
    - b) Rights with maturity of no more than 1 (one) year against banks and financial institutions of non-OECD countries, or rights with maturity of more than 1 (one) year explicitly guaranteed by central banks and governments of non-OECD countries, except when such rights, according to regulations in force, are part of their regulatory capital.

#### 4. GRANTING A LICENSE, PRE-APPROVALS

Based on the Law "On the Bank of Albania", the Bank of Albania is exclusively responsible for licensing and supervising all banks within the Republic of Albania.

The Bank of Albania licenses entities in compliance with the law and by-laws. Year 2008 witnessed important developments in the banking system with regard to licensing. During 2008 several changes took effect, regarding:

- bank ownership and owner's capital structure,
- expansion of banking activity,
- expansion of bank networks within the Republic of Albania territory,
- changes to banks' statutes,
- substitution and appointments of bank administrators,
- extension of e-banking services,
- increased number of operational non-bank financial institutions,
- increased number of savings-and-loan associations,
- increased number of foreign exchange bureaus.

During 2008 no bank licence applications were submitted, but several structural changes took place to bank ownership, such as:

- International Finance Corporation (IFC), member of World Bank and FEFAD, Albania, transferred its shares of 36.25 percent of ProCredit Jnt.stk. shareholders' equity to ProCredit Holding AG, Germany;
- Approval of Balkan Financial Sector Equity Holding BV, Netherlands, as an influential shareholder-owning 22.17 percent of Credins Bank's shares;
- European Bank for Reconstruction and Development purchased 12.5 percent of Union Bank Jnt.stk. shareholders' equity;
- Mr. Francesco Mariano Mariano and Banca Popolare Pugliese S.c.p.A. transferred 76.83 percent of their voting shares of Banca Italiana di Sviluppo Jnt.stk. shareholders' equity to Veneto Banca Holding S.c.p.A.  
In the meantime, Veneto Banca Holding S.c.p.A., Italy, communicated its interest and notified that it had signed an agreement to purchase 100 percent of Banca Italiana di Sviluppo' Jnt.stk. shares. This practice is undergoing documentation evaluation;
- the increase of significant ownership interests from 15.1525 to 23.64 percent of a shareholder in the shareholders' equity of Credins Bank Jnt.stk.

In all approved share transfers we observe an increasing tendency for foreign capital participation, in terms of country of origin. Currently, there are no banks financed entirely with Albanian capital. At the same time, we observe many entities and banks with experience in foreign markets enter the Albanian market. We expect this to positively affect the development of our banking system, bringing in not only capital, but also managerial know-how and expertise in risk management.

Due to the changes during 2007 and 2008, at year-end 2008 the Albanian banking system is comprised of 16 banks. (In March 2008 and April 2008 the Bank of Albania revoked the licences of Banca Italo-Albanese Jnt.stk. and First Investment Bank, Tirana Branch, respectively) There was a new phenomenon in the Albanian market – the merger of two banks. The merger introduced new, never before observed or applied practices. The two banks merging with absorption were the American Bank of Albania Jnt.stk. and Banca Italo-Albanese Jnt.stk. Once the merger was approved, the Bank of Albania revoked the banking licence of the Banca Italo Albanese Jnt.stk. and the absorbing bank changed its name to Intesa Sanpaolo Bank Albania Jnt.stk. (from the American Bank of Albania Jnt.stk.).

Moreover, during 2008 the Bank of Albania revoked the licence of the First Investment Bank, Tirana Branch, once this entity was transformed into the First Investment Bank, Albania Jnt.stk.

As a result, year 2008 witnessed the revocation of 2 licences to exercise banking activity. It is very important to stress that such revocations were not a

consequence of business failure; on the contrary, they accompanied positive changes to the Albanian banking system in terms of consolidation.

In addition to new branches and agencies, banks request expansion in their activities, including new operational activities, products and services, in line with their short-to-medium-term strategies.

To be more precise, Credins Bank expanded its list of licensed activities with "Factoring and financing commercial transactions", which is one of the novelties of the 2006 law on banks.

New products implemented in 2008 confirm that bank customers are increasingly using electronic access products provided by their banks – through payment cards, PCs or recently even telephones. The increased use of cards has been supported by the increased number of ATMs throughout the country, and more facilities to get internet access. In addition to expanding their electronic products and services, banks are also focusing on providing better security and protection for their customers. Some examples include: upgrading debit/credit cards by inserting a "chip" and tough authorization features of internet banking transactions. Meanwhile, the number of banks using electronic products reached 12 during 2008. Banks issued about 513,232 electronic cards during 2008, out of which 496,301 were debit cards and 15,391 were credit ones. The total number of installed ATMs reached 642, and that of POS reached 2,935.

During 2008, 8 new instances of e-banking product development were approved. Such cases consist of e-banking product implementations and ATMs electronic cards.

Banking electronic products licensed by the Bank of Albania in the last three years, and their end-2008 total are summarized in the following table:

Table 1 Electronic products supplied by banks

Electronic Products supplied by banks/years	2006	2007	2008	Total
Debit cards	6	4	2	12
Credit cards	5	3	1	9
MasterCard – debit	1		1	2
MasterCard – credit	-	-	1	1
MultiCash	1	-	-	1
ATM	6	4	2	12
POS	1	2	2	5
Internet banking	2	2	3	7
Phone banking	-	-	1	1
Mobile banking	-	-	1	1

Source: Bank of Albania

Whereas, the range of e-banking services by commercial banks at year-end 2008, is as follows:

Table 2 E-banking services, December 2008

Banks	ATM	POS	Internet banking	Electronic Cards
Raiffeisen Bank Jnt. Stk.	√	√	√	√
National Commercial Bank Jnt.stk.	√			√
Tirana Bank Jnt.stk.	√		√	√



Tirana Branch of National Bank of Greece	√				√
Alpha Bank– Albania	√	√		√	√
Procredit Bank Jnt.stk.	√	√		√	√
First Investment Bank, Albania Jnt.stk.	√				√
Credins Bank Jnt. Stk.	√	√		√	√
Union Bank Jnt. Stk.	√			√	√
Popular Bank Jnt. Stk.	√			√	√
Intesa Sanpaolo Bank Albania Jnt. stk.	√	√		√	√
Italian Bank of Development Jnt. Stk.	√				√

Source: Bank of Albania

Permissible banking and financial activities listed in the 2006 banking law are quite different from those listed in the 1998 banking law. In line with the respective changes, banks have requested a revision of activities annex accompanying their licenses. For this purpose, we established a work-group to coordinate banking activities listed in the old banking law (1998) with activities based on the new banking law (2006). The Bank of Albania also decided to distribute new annexes attached to banking licences, in accordance with activities stipulated under the law no. 9662, dated 18.12.2006 "On Banks in the Republic of Albania".

Based on article 24 of the new law "On Banks in the Republic of Albania", the Bank of Albania, among other things, pre-approves changes to banks' statutes. In compliance with this legal requirement, 7 banks requested pre-approval of changes to their statute during 2008.

During 2008, banks submitted their requests for approval of administrators appointed by them, in compliance with the law "On Banks in the Republic of Albania". Such requests include:

- New administrators, resulting from changes in current positions, parallel job shifts or new appointments ;
- New job positions, resulting from new bank structures, such as risk analysis units;
- New appointments, resulting from electing new shareholders for bank management positions.

No refusals of administrators appointed by banks took place during 2008.

During the same year, Besa Fund Jnt.stk. submitted an application to the Bank of Albania for obtaining a licence to exercise financial activities as a non-bank institution. After scrutinizing its documentation, the Bank of Albania granted this fund a non-banking licence.

The changes to the Law "On financial leasing" require that financial leasing and all entities carrying out only this activity, be licensed and supervised by the Bank of Albania, in compliance with the provisions of this law, the law "On Banks in the Republic of Albania" and Bank of Albania's by-laws, drafted and approved for this purpose. In this context, the Bank of Albania has received many licence applications from entities that exercise financial leasing, and their licences are expected to be granted during 2009.

During 2008, the Bank of Albania received 79 applications for foreign exchange licences and revoked licences to 4 foreign exchange bureaus, based on their wish.

Furthermore, based on changes to the regulation "On the licensing, organization, activity and supervision of foreign exchange bureaus", additional activities for foreign exchange bureaus that serve as money transfer agents, on behalf of a non-bank organization, were approved. More specifically, during 2008, 38 agents were approved. Once the new regulation on non-bank entities licensing is approved, all agents of non-bank entities that are not foreign exchange bureaus, will be evaluated for licensing.

During 2008, 9 new savings-and-loan associations obtained a licence. Such associations were further consolidated during 2008. In this respect, 7 associations were revoked their licences, due to their mergers with existing associations. Hence, incorporating all changes, at year end 2008, the list of entities licensed by the Bank of Albania is as follows:

Table 3 List of entities licensed by the Bank of Albania through years

No.	Entities	2000	2001	2002	2003	2004	2005	2006	2007	2008
1	Banks and foreign banks' branches	13	13	14	15	16	17	17	16	16
2	Non-bank financial institutions	2	4	5	7	7	7	6	6	7
3	Foreign Exchange Bureaus	19	38	58	58	54	58	60	112	189
4	Savings-and-Loan Associations			113	131	130	131	125	130	133
5	Unions of Savings-and-Loan Associations			2	2	2	2	2	2	2

Source: Bank of Albania

## C. ON-SITE SUPERVISION

### 1. ON-SITE SUPERVISION ACTIVITIES

The Examinations Office at the Supervision Department is responsible for evaluating banks' activity and auditing banks' compliance with the legal and regulatory framework. This duty is carried out to guarantee healthy financial activities. Tasks have been fulfilled in line with the supervisory cycle defined by the supervision operational policy. As an important component in accomplishing the mission of the Bank of Albania, it has carried out its tasks, adhering to supervision principles through clarifying, strengthening and respecting them.

During 2008, the licensed entities' activity underwent thorough scrutiny, which has called for intensive and wholesome commitment of human resources, resulting in full identification of some problems. Special attention has been paid to preventing negative phenomena, rather than addressing them after occurring. For this purpose, we have considered possible effects of certain risk positions and warned against potential problems, in order to take measures in due time.

Apart from binding by the supervision cycle, we have constantly kept in contact with banks, to caution in time worrisome supervision phenomena that have been observed all year long. We have taken appropriate measures to timely address already-occurred phenomena, particularly regarding credit portfolio quality, interest rate application methods, and liquidity conditions management.

Throughout the year customer complaints were also assessed. It is worth noting that the number of complaints, although still modest, is increasing, as compared to other years. Such phenomena indicate that the public is more aware of banking services, which calls for continuous consideration to properly and timely address the problems.

### 2. COOPERATION WITH OTHER REGULATORY AUTHORITIES

Taking into account financial market developments, especially the most recent ones, and the importance of foreign capital banks' presence in our

market, we have paid special consideration to the cooperation with other supervisory authorities. We have mainly cooperated with countries where the capital of banks exercising their activity in Albania originates from, and countries in the region.

Following the multilateral cooperation agreement, signed with six countries in the region, to promote structured cooperation in the supervision area, we have exchanged information regarding country specific supervision features, and we have made further advancement in extending and materializing cooperation.

Cooperation with the Bank of Greece-the banking supervision authority in the country-has been reinforced through the exchange of experience and information and through this authority's assistance in auditing the expansion of Greek origin capitalized banks in Albania.

Continuous efforts have been made to identify legal grounds for signing a cooperation agreement with the supervisory authorities of the countries of interest.

Close cooperation has been established with the General Directorate of Money-Laundering Prevention. Frequently participation in symposiums has been ensured, in light of establishing ties between this institution and its German counterparty, financed by the European Community.

Exchange of information and coordination of activities with the Deposit Insurance Agency have been intensified, particularly in the last months of 2008, in light of managing the liquidity situation of the banking system.

During 2008 the following examinations were performed:

Table 4 Examinations performed during 2008

Type of financial institutions	Examinations performed
Banks	12 full-scope examinations
Non-bank financial institutions	1 full-scope examination
Savings and Loan Associations	1 full-scope examination
Foreign Exchange Bureaus	34 examinations
Premises of banks' branches and foreign exchange bureaus	201 examinations

Source: Bank of Albania

### 3. PROBLEMS OBSERVED DURING EXAMINATIONS

#### 3.1 BANKS

Banking activity has undergone different development stages during 2008. The first 9 months of the year witnessed further activity expansion with regard to work volume, banking services, credit to the economy, and branch networks, following the development pace of the last couple of years. We noticed considerable boost in competition, mostly observed through the

variety of products offered and their prices. Such developments have drawn the supervision's attention to carefully monitor financial performance, quality of decisions taken and their consequences.

During the rest of 2008 the banking activity shrank considerably-an immediate effect of the global financial crisis. Nonetheless, unlike countries where crises were inflicted by internal developments, the problems in the Albanian banking system were mainly caused by massive deposit withdrawals, due to loss of public confidence. Such loss of confidence was instigated by information coming from international markets and informal rumours circulating within the country. The economic contraction was manifested in considerable decline of customer deposits, especially of household time deposits. In light of this situation and expectations for a GDP growth slowdown in 2009, banks have reviewed their strategic plans, presenting a more conservative approach to activity expansion. Market developments, business and consumer behaviour, the internal liquidity situation and economic developments affecting parent banks in countries of origin, have shaped plans for 2009. However, late 2008 developments afresh demonstrate that our banking system is healthy and liquid, capable of tackling difficult situations of intensified funds withdrawal requests.

Such banking system developments were intensively attended over the last three months of 2008. For this purpose, we have required banks to provide us with daily reports of deposit withdrawals and certain balance sheet items that are directly related to the system's ability to handle the situation. We have set up the necessary database and worked out the data to write informative and analytical reports on system developments, on a weekly basis. Over and above this, we have constantly kept in contact with each and every bank to get real time information on regular operational activity, or specific developments constituting a concern to supervision.

During 2008 banks focused on developing the risk management function. Depending on bank's size and type of risk taken, some banks have established specific units that deal with risk analysis, while others have created job positions for this purpose.

Deficiencies observed during on-site examinations are related to the ability of banks to adjust bank structures to new developments. Such adjustments call for establishing new units, delegating work authority, and supporting it with operational policies and new work procedures. We have identified some deficiencies in internal audit systems, such as work quality, auditing scope, and problem identification and follow-up. We have considered a priority the need to draw the management's attention to the bank's activity, when deemed not sufficient for the well-functioning of the organizational units; or establishing new structures as needed. Special attention has been paid to the quality of work on risk management.

On-site supervision has also paid special attention to capitalization of banks. Along with the capitalization situation analyses, we have required rigorous

compliance with regulatory limits, evaluation of capital needs and finding of capital sources. To reduce concentration risk, we have required customer base enlargement, both obligations- and crediting-wide. Diversification of risks into different sectors of the economy has been part of our recommendations, too. Furthermore, particular attention has been paid to maintaining of adequate liquidity levels by banks, proper liquidity management, and procurement of ample funds to meet their needs in difficult times. Following continuous mistakes noted in monthly data reports, banks were recommended to take appropriate measures to avoid mistakes in the future through better inspection of reported data.

*Problems related to compliance with regulations.* Generally speaking, we have noticed good compliance with the regulatory framework, despite minor violations that in most cases did not have tangible impact on risk exposures.

Violations are mostly related to the regulations:

- a. Banking Law: Violations of this law consist in exposure to connected persons. Apparently, banks have not appropriately identified groups connected to a business when deciding to give out a loan to that business.
- b. "On credit risk management". Risk against borrowers has been constantly evaluated, and in some cases we have observed incorrect application of this regulation, with respect to loan classification and level of provisions. Completion of loan documents as specified by the requirements of the regulation has been continuously demanded, following the observed violations.
- c. "On open foreign currency positions". We have pointed out some infrequent violations of this regulation, which were however, temporary situations, and improved in time.
- d. "On Capital Adequacy". We have mainly observed technical violations and erroneous interpretation of requirements.
- e. "On large exposures". We have observed lack of reporting or incorrect reporting of banks' exposures, generally due to the regulatory changes introduced during the year, which anyhow, have been continuously improving.
- f. "On foreign exchange operations". Reprimands related to compliance with this regulation focus on transfers purposes and their supporting documents.
- g. "On money laundering prevention". Violations are related with the prevention of suspicious transactions, the establishment of and compliance with necessary structures, personnel training, setting up a database, reporting of suspicious transactions, and abiding by the requirements of the new law, entering in force in 2008.
- h. "On the use of information and communication technology by entities granted a license from the Bank of Albania". Violations of this regulation are more frequent as compared to others, which indicate the need for banks to make additional investments in improving their information technology systems. Improvements need to be made with

respect to system evaluations, ensuring physical security, designing operational plans, documentation of operations and disaster recovery plans. In addition, we have constantly recommended that banks have their information and communication technology systems audited by specialized companies.

- i. "On supervising the e-banking transactions". Violations of this regulation consist in incomplete and late documentation for submission to the Bank of Albania. However, compliance with this regulation has considerably improved during 2008.
- j. Guideline "On transparency of banking services and operations". Violations of these regulations consist in informing customers about changes in terms of reference, abiding by contracts, complete publication of reference interest rates, informing customers about all loan expenses, clear specification of the type of loan in their contracts, clearly specifying fees and penalties, complete publication of loan information, etc. During examinations, we have stressed out the need to inform customers about potential risk they may incur during the loan repayment period.
- k. Banking Accounting Manual. Classifying investments in securities pursuant to the manual was one of the prominent problems. Incorrect classification has resulted in seemingly lower costs for banks.

### 3.2 FINANCIAL INSTITUTIONS

This category includes two types of subjects: non-bank financial institutions and savings-and-loan associations. The first group is not allowed to take deposits from the public, whereas the second are depository associations, as sanctioned under the relevant law.

Among the most recurrent problems observed during examinations are inaccurate calculations and violations of prudential standards, specified under the regulations drafted for their functioning. Such prudential standards are mainly related to risk levels.

During examinations, we have paid special consideration to improvement of internal structures, from both organizational and regulatory viewpoint, in order to prevent possible frauds. For this purpose, we have required (as a highly important issue) improvement of internal audit systems and work quality of internal audit units. In addition, we have also required the improvement of the lending process, from the borrowing capacity analysis to the correct classification of loan portfolios, in compliance with the regulation "On credit risk management".

Following the observed deficiencies, we have also given recommendations for drafting of more realistic development plans, functioning of all institutional structures according to internal regulatory framework, investments in information and technology systems, and meeting of requirements under the regulation on information and communication technology, to ensure a secure and normal functioning of the activity.

### 3.3 FOREIGN EXCHANGE BUREAUS

We have examined 34 foreign exchange bureaus during 2008. Deficiencies in their work are recurrent and consist in: lack of reporting and/or incorrect information in reports; non-provision of foreign exchange invoices to customers; lack of bookkeeping and/or deficiencies in the documentation required under the regulation on their operations. Sanctions have been imposed on problematic entities.



## D. BANKING SYSTEM AND NON-BANK DEVELOPMENTS

### 1. ECONOMIC ENVIRONMENT

#### 1.1 WORLD ECONOMY

The collapse of mortgage markets was the focal point of world economic developments during 2008. Economic growth is estimated to be 3.4 percent—quite below the recent years' average growth rate. Financial markets have experienced tough situations once the stock indices started to plummet. Such unfavourable developments and the conservative perspectives for 2009 entailed central banks and governments of countries impacted the most by the crisis to coordinate their efforts in taking several measures to alleviate and stabilize the recovery process of financial markets and agents, and restore confidence in the financial system. Meanwhile, some of the biggest international financial institutions collapsed and filed for bankruptcy, merged with other institutions, or were even nationalized. The bankruptcy of "Lehman Brothers" marked the peak of the financial turmoil.

Monetary and fiscal stimuli caused interest rates in international markets to decline in the end of 2008. Particularly at year-end, inter-bank interest rates plunged, following the decline of central banks' base interest rates. In spite of this, tension and risk perception among market participants were still high—mostly reflected in the large share of short-term transactions in inter-bank markets, and the high interest rates applied by them.

Average world inflation was 3.5 percent in 2008, versus 2.1 percent in 2007. Nevertheless, the intensification of the financial crisis during the second half of 2008 led to decreasing prices—a tendency estimated to continue throughout 2009. Annual inflation in Euro Area was 3.3 percent in 2008—1.3 percentage points higher than the upper limit of ECB target of 2 percent.

With regard to the Euro Area, 2008 was a year of slowing domestic demand and private investments, lending activity crunch, increasing unemployment and decreasing customer and business confidence indices. As a result, economic activity in the Euro Area has slowed down during 2008, growing by only 0.9 percent, as compared to 2.7 percent growth in 2007.

In the United States of America, the continuous depreciation of financial assets in stock markets, the poor performance of main financial corporations and the plummeting house prices directly affected the real economy performance and accelerated the decline in consumer-and-business confidence indices and in aggregate investment.

Aggregate investment and consumption-two of the main components of GDP-sharply declined in annual terms. These two indicators, coupled with aggregate exports' decline due to the appreciating USD and the decline in world demand, caused the American economy to shrink over the second half of 2008.

Adverse indicators of production activity led to deterioration of labour market indicators in the economy. The average number of unemployed people was 25 percent more than the 2007 average, mostly due to the rising unemployment in the processing industries, construction and the financial sector.

## 1.2 ECONOMIES IN THE REGION

Economic developments in Italy were strongly affected by the financial and economic turmoil in international markets. GDP shrank by 0.6 percent on average, in annual terms as compared to 2007, mainly resulting from lower domestic demand and investments. High commodity prices and the low demand for Italian goods and services distressed economic activity and production industries. During 2008, industrial production fell by approximately 4 percent as compared to the previous year. Average inflation for 2008 was 3.5 percent, with higher rates during the first half of the year.

The Greek economy proved to be more immune to the crisis impact. Its average GDP growth of 2.9 percent was higher than the average growth in the Euro Area. Inflation followed an upward trend until September 2008 and started to decline thereafter<sup>1</sup>.

FYROM economic growth during the first 9 months of 2008 was 5.7 percent on average-slightly higher than the economic growth during the first 9 months of 2007. Inflationary pressures were quite higher in 2008: inflation was 8.3 percent on average, as compared to 2.3 percent in 2007.

The Turkish economy slowed down during the first 9 months of 2009. Economic growth was 3.2 percent during that period, as compared to 5 percent in the same period of 2007. Such slowdown resulted from decelerating private investments and private consumption. Estimations for the last quarter of 2008 reveal smaller growth rates-a trend expected to continue in 2009, as well. Annual inflation in Turkey was 10.4 percent during 2008, as compared to 8.3 percent in the previous year.

Another important development worth mentioning is the weakening of real economies in general in Central and Eastern European economies

and the problems in their financial markets. These countries host some of the banks operating in Albania. Hungary and Ukraine, in particular, had to cope with economic recession, ever increasing budget deficits, domestic currency depreciation, reduction in foreign direct investments during 2008, domestic financial markets turbulences, credit crunch, increasing rates of non-performing loans, liquidity problems, etc.

### 1.3 ECONOMIC ENVIRONMENT IN ALBANIA

The performance of the Albanian economy was generally positive during 2008. Our economy grew with satisfactory rates in the first nine months of the year-a time when macroeconomic stability was maintained. However, the last quarter of the year witnessed a qualitatively different economic picture. Impacted by the global financial and economic crisis, economic activity in the country seems to have slowed down, and monetary indicators have been very volatile.

Economic growth has been mainly sustained by rapid increase in domestic demand, in all its components: consumption, investments and government spending. It has been mostly financed with domestic financial sources, followed by rapid growth of credit to the economy. Loans have chiefly financed investments, shown by the dominant share of business loans in loan portfolios or new loans. Despite the slowdown observed in 2008, even consumer credit grew considerably, testifying increased private consumption in the economy.

High domestic demand and global economic shocks, in terms of high commodity prices, were reflected in high inflation rates during the first half of 2008. Annual inflation peaked at 4.6 percent in May 2008, reaching the highest rate in the last five years. Meanwhile, the dying out of supply shocks and domestic demand slowdown in the last quarter of 2008 resulted in a progressively lower inflation rate, reaching 2.2 percent in December. Such developments called for a prudential monetary policy during 2008. The base interest rate was kept unchanged for the whole period, aiming at a better balancing of supply and demand, and anchoring inflation expectations in the economy.

High domestic demand was also reflected in the increase of trade deficit and current account deficit during 2008. The current account deficit reached 14.9 percent of GDP, mostly affected by accelerating imports and remittances slowdown in the second half of the year, as a result of stronger impacts of the crisis on neighbour countries' economies.

Fiscal policy has followed an expansionary trend during 2008, reflected in an expansion of public investments and budget deficit. Progress in fiscal administration and normal economic growth in the country have enabled an increase in budget revenues and keeping the budget deficit within acceptable levels. Public debt grew during 2008, reaching 55.6 percent of GDP, as compared to 52.2 percent during the previous year.

Year 2008 was characterized by rapid monetary expansion, instigated by rapid credit growth to the economy. Average annual M3 growth was 12.3 percent—slightly lower than the 15.8 percent growth of 2007. Interest rates fluctuated considerably, depending on liquidity developments in the system, and international market developments; whereas, the foreign exchange rate was generally stable.

The most important development in 2008 was the global financial and economic crisis. The crisis impact on our economy gradually intensified during the last quarter of the year. The insecurity inflicted by the shock on the world financial system was reflected in major withdrawals from the banking systems in the last quarter of 2008. Such withdrawals caused liquidity problems in the system, which led to increasing interest rates. In addition, this situation naturally caused the banking system to be less willing to credit the economy—hence, the credit growth slowdown in the last quarter of 2008. Credit growth slowdown, together with a decrease in remittances, led to slower economic activity. Given this situation, the Bank of Albania took some measures for injecting liquidity and preserving public confidence in the system. In addition, the central bank strengthened supervisory regulations during 2008, in order to reinforce financial system stability. Those measures have shown to be effective and the Albanian banking system has successfully tackled the first shudder of the global economic and financial crisis.

## 2. KEY BANKING SYSTEM DEVELOPMENTS

Year 2008, in contrast to the previous year, witnessed mixed and less stable developments. Analyses reveal higher risk levels and decline in the financial robustness of the banking system. The first part of the year is generally estimated to have had better performance, as compared to the second half. The last quarter of 2008 greatly contributed to the deterioration of some of the main indicators in the banking system. However, fluctuations and poor performance in some main financial indicators did not affect regulatory capital levels against the risk level taken by the entire banking system. Regulatory capital adequacy to sustain potential losses from future deterioration of credit portfolios is considerably lower, whereas the demand for capital to face potential losses due to market risks is estimated as quite low.

At year-end 2008, the banking system continues to be represented by banking activity focused on collecting deposits from the public and on lending to both households and enterprises. The system's liabilities and assets grew, although considerably slower than in previous years. Developments reveal an increase in the system's exposure toward credit risk stemming from the higher weight of the credit portfolio to total assets, but not only that. Non-performing loans have rapidly grown and credit portfolio quality has significantly deteriorated. As a result, the banking system profitability, assessed by return on assets worsened due to the large increase in expenditures on provision for loan losses. We assess that the estimated levels and their dynamics are not critical at the time being. They are, however, candidate indicators for further

potential deterioration. Their size and intensity are testable and should be monitored in the future.

Moreover, the system's deposit growth slowed down due to deposit leakage during the last quarter of 2008, caused by the public insecurity in light of the global financial crisis. Developments in the last months of 2008 posed a challenge for liquidity management. In these circumstances, liquidity instruments decreased, especially the relations with non-resident financial institutions. We also observed a propensity to restore deposits to such institutions, mainly in the form of short-term deposits. Not only did this tendency increase the fund availability level, but it also reduced exposure towards any counterparty-a position reinforced with the restriction of maximum allowed exposure level to the regulatory capital, as well.

To be more specific, the financial situation of the system at year-end 2008, as compared to the end of 2007, reflects the following trends and characteristics:

- Net result is calculated to be 26.5 percent lower than in the previous year, whereas RoA indicator is 0.91 percent, and much lower than the 1.48 percent recorded in the pervious year;
- NIM is stable, around 4.13 percent, versus 4.09 in the last year;
- Assets grew by 12 percent, versus 19 percent in 2007; the credit portfolio increased by 35.7 percent, versus 47.7 percent in 2007; and deposits increased by the lowest rate ever of 2.4 percent;
- The indicator "gross non-performing loans/gross credit portfolio" worsened to 6.64 percent, as compared to 3.37 percent in 2007;
- The non-performing loans indicator, without the effect of new credit, within one year worsened considerably: from 5 percent in 2007 to 9 percent in 2008;
- The ALL credit portfolio continues to show problems in terms of quality –loan portfolio quality indicator is 7.5 percent versus 6.3 percent in the previous year;
- The system's ability to cover possible credit loss with equity has worsened, as indicated by the ratio "net non-performing loans to regulatory capital" reaching 25.7 percent, versus 11.1 percent in the previous year;
- Capital adequacy is stable, above 17 percent and beyond the minimum required level;
- Assets to shareholders' equity, a.k.a. the financial leverage of the system have gradually declined during 2008. The leverage decreased from 13.1 percent to 11.7 percent during 2008, meaning that the system has utilized less debt in financing its activities;
- The system's general coverage rate was 144 percent at end-December 2008-considerably higher than the minimum allowed limit of 100 percent;
- Increased activity in foreign currency, as a result of the rapid increase of foreign currency resources and credit portfolio;
- Almost no changes in asset, deposit and credit concentration indicators,

assessed through the Herfindahl indicator;

- Worsening of the banking system's efficiency with respect to other sectors of the economy, as indicated by the smaller share of Net Income to GDP-from 1.1 percent in 2007 to 0.7 percent in 2008.

We believe that 2009 will mark slower activity in terms of volume, in the banking system. Deposit growth rates will significantly depend on the degree of restoration of public confidence in the system; whereas the increased level of deposit insurance will serve as a promoter of stability in financing by the public. As a base scenario we believe that the system will be oriented toward less risky assets. Meanwhile, banks are expected to be more conservative in their crediting activity, possibly affecting economic growth in a negative way.

In these circumstances, we expect the credit portfolio quality to worsen, which might result in profitability rates similar to those at year-end 2008.

Finally, we assess that the performance of the ALL exchange rate with respect to foreign currencies, especially with respect to EURO, is becoming relatively worrisome, indicating worsening conditions for borrowers that already have loans in EURO. Consequently, a deterioration of their capacity to serve their loans should not be ruled out.

### 3. BANKING SYSTEM STRUCTURE

#### 3.1 NUMBER OF BANKS

Over 2008, the number of banks in the system was reduced to 16, from 17 in the previous year. The merger of two banks, Sanpaolo IMI and Banca Intesa, through absorption, resulted in the creation of Intesa Sanpaolo banking group. This process brought about the merger of the Banca Italo Albanese with the American Bank of Albania, whose main shareholder is Intesa Sanpaolo. The financial impacts of the merger started to take effect in January 1<sup>st</sup>, 2008.

At year-end 2008, the number of foreign banks' branches in Albania is still 2-National Bank of Greece and Alpha Bank;-foreign banks' subsidiaries and financial groups is 11; banks financed with domestic capital (in terms of domestic shareholders owning the majority of shares) are 2; 1 bank is owned by foreign shareholders, natural persons.

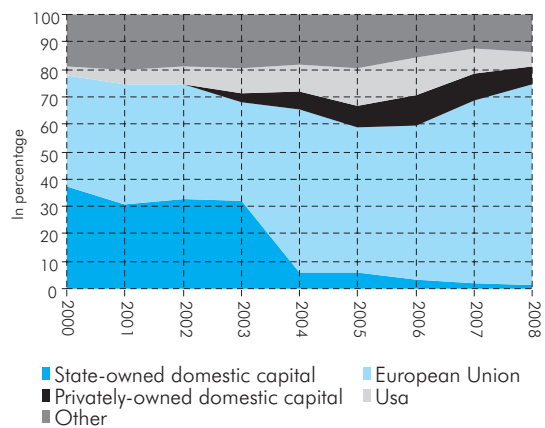
#### 3.2 OWNERSHIP STRUCTURE

During 2008, the banking system's capital incurred important structural changes, which brought about the increase of foreign capital domination in the system. With regard to Credins Bank, the sale of common shares, owned by a private Albanian shareholder, to two foreign investors<sup>2</sup> raised the share

of foreign capital in this bank to 33.34 percent, as compared to 5 percent in 2007. Regarding ProCredit Bank, two of its shareholders, FEFAD (domestic capital) and IFC (capital from the USA) sold all their shares, 25 percent and 11.25 percent respectively, to Procredit Holding, thus turning this bank into a bank entirely owned by foreign capital originating from the European Union. At Union Bank, during 2008 the European Bank for Reconstruction and Development purchased 12.5 percent of the shareholders' capital. This development marks the entry of foreign capital to the last bank of the system that was entirely owned by domestic capital, thus decreasing the share of domestic capital in our banking system.

The aforementioned structural changes, and the increase of paid-in capital<sup>3</sup> during 2008, have resulted in ALL 12.5 billion (33 percent) more foreign capital, and ALL 266 million (5.6 percent) less Albanian capital. At end-December 2008, foreign capital in the system was ALL 50.3 billion, or 91.8 percent (versus 88.8 percent in 2007), while domestic capital was ALL 4.5 billion, or 8.2 percent of the total capital.

Chart 1 Paid-in Capital of the System<sup>4</sup> by country of origin



Source: Bank of Albania

As shown in chart 1, capital originating from the European Union has the highest share to foreign capital, whereas capital originating from the United States has gradually lost its importance for the Albanian banking system.

Domestic state-owned capital represents 40 percent of shares owned by the Albanian Government in the United Bank of Albania.

Based on a peer-group analysis, the large banks of G3 group continue to be supported by permanent foreign resources. The capital structure of G2 medium-sized banks and G1 small-sized banks includes both foreign and Albanian capital, where foreign capital has the highest share-88 percent and 76 percent of total capital, respectively.

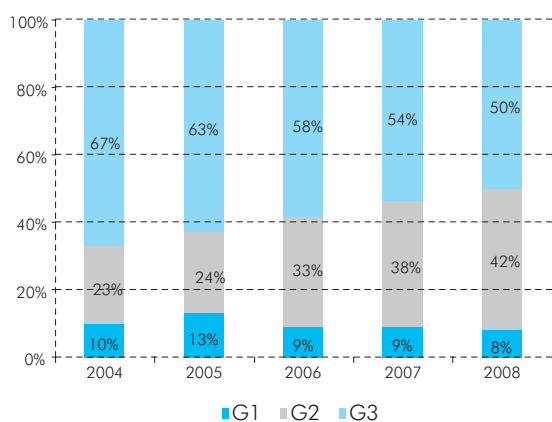
Comparing and contrasting our banking system with those of the region, we notice that foreign capital in our banking system has a higher share to total capital, than in any other country of the region, except for Croatia.

Country	No. of banks			Foreign capital share (in %)		
	2005	2006	2007	2005	2006	2007
Albania	16	17	17	86.3	85.7	88.8
Bosnia-Herzegovina	24	23	22	70.2	75.5	74.2
Bulgaria	34	32	29	74.9	72.8	72.8
Croatia	38	38	38	81.7	86.6	90.8
Slovenia	25	25	27	34.9	37.7	37.7
Serbia	40	37	35	53.8	73.1	77.2
Moldova	16	15	16	50.6	62.7	71.9
Romania	40	39	42	68.9	78.8	79.4

\* Source: BSCEE REVIEW 2007

Table 5 Share of foreign capital in some regional countries

Chart 2 Banking system employees, by bank peer-groups (in %)



Source: Bank of Albania

### 3.3 NUMBER OF EMPLOYEES AND BANK BRANCHES

The number of people employed in the banking system reached 6,494 at the end of 2008, from 5,155 at the end of the previous year-or increased by 26 percent, versus 23 percent growth during 2007.

At year-end 2008, 65.2 percent of staff was employed in banks' branches and agencies, whereas in 2007 they made up 58 percent of the total banking workforce. The increased number of employees results from banking activity expansion, increased products and services, and network extension of branches and agencies.

The network of branches and agencies expanded rapidly during 2008, with 114 new branches and agencies all over the country. Over the year, one bank branch discontinued its activity. It is worth noting that bank branches and agencies cover several cities in Albania. They are not only situated in city centres, but also in areas where production, retail and services businesses are concentrated.

Table 6 Banking Network

No.	Banks	No. of branches and agencies in the country	No. of branches outside the country
1	Raiffeisen Bank	101	
2	National Commercial Bank	55	2
3	United Bank of Albania	6	
4	Italian Development Bank	7	
5	Tirana Bank	47	
6	Branch of National Bank of Greece	30	
7	International Commercial Bank	8	
8	Alpha Bank – Albania	49	
9	Intesa Sanpaolo Bank Albania	34	4
10	ProCredit Bank	42	
11	Emporiki Bank	20	
12	Credit Bank of Albania	3	
13	Credins Bank	29	
14	Popular Bank	39	
15	Union Bank	31	
16	First Investment Bank	10	
	TOTAL	511	6

Source: Bank of Albania

Branches and agencies' network extension and the increased number of bank employees have contributed to qualitatively and quantitatively better banking services to the public. According to table 7, average population per bank has increased. On the other hand, average population per bank unit and bank employee has decreased, due to the higher growth rate of bank branches and agencies and bank employees as compared to the population growth rate.



Table 7 Banking system statistical indicators

Indicators/ Years	2003	2004	2005	2006	2007	2008
Number of Banks	15	16	17	17	16	16
Number of Employees	2,236	2,816	3,479	4,189	5,155	6,493
Number of Branches/Agencies	161	188	250	294	399	511
Average number of employees per:						
- bank	149	176	205	246	322	405
- bank unit	13.9	15.0	13.9	14.2	12.8	12.76
Average population number	3,111,000	3,127,000	3,149,000	3,152,200 <sup>5</sup>	3,170,048 <sup>6</sup>	3,170,000 <sup>7</sup>

Source: Bank of Albania

### 3.4 ASSET AND LIABILITY STRUCTURE

During 2008 the system's assets grew by ALL 91.8 billion or by 12.4 percent—moderately less than in the previous year, when assets grew by ALL 118.1 billion, or 19 percent. The credit portfolio also grew more slowly, by around ALL 104.3 billion or 35.67 percent as compared to 47.76 percent (ALL 94.5 billion) annual growth in 2007.

In contrast to the third quarter outlook, the last quarter of 2008 witnessed a decline of the system's total assets by ALL 23.1 billion or 2.7 percent. Such decline was mainly caused by changes occurred in G3 large banks, followed by G2 medium-sized banks, whereas small-sized banks seem to have grown during the last quarter<sup>8</sup>.

Peer-groups' dynamics during 2008 reveals a decrease in large banks' share to the system, and an increased influence of medium and small sized banks. In the meantime, lending activity is a domain of medium and large banks, where the latter prevail.

Over 2008, G1 small-sized banks were noted for their high growth rates (ALL 6.87 billion or 27.3 percent), followed only recently by G2 medium-sized banks (whose growth is ALL 51.7 billion or 25 percent in relative terms), and G3 large banks (with a moderate growth of ALL 33.2 billion or 6.5 percent). We should state however, that the high growth rates of small-sized banks are also a result of the small calculation basis, as compared to medium and large banks'.

Intermediation of the banking system in the economy and the lending activity's contribution have increased through years, mainly due to the increase of total assets and loans to Gross Domestic Product. At year-end 2008, these indicators are 78 percent and 37.1 percent respectively, versus 75.9 percent and 29.9 percent in the previous year.

Nevertheless, the growth rate of the abovementioned indicators is declining in years. The "assets/GDP" ratio has increased by 2.1 percentage points during 2008, versus 6.5 percentage points in 2007, and 10.1 pp in 2006. On the other hand, the growth rate of the "credit/GDP" ratio is more stable.

Table 8 Banking system total assets and credit portfolio share to GDP<sup>9</sup>

Indicator	Dec'00	Dec'01	Dec'02	Dec'03	Dec'04	Dec'05	Dec'06	Dec'07	Dec'08
Total Assets (in billion ALL)	270.8	318.5	339.3	373.6	426.4	496.6	624.3	742.9	834.1
Total assets/GDP (in %)	50.2	53.5	51.6	50.2	51.9	59.3	69.4	75.9	78.0
Total credit/GDP (in %)	5.3	4.7	5.9	6.8	8.5	15.3	22.0	29.9	37.1

Source: Bank of Albania

The structure of the banking system's assets, as compared to the preceding year, has incurred the following changes:

- Reduction in treasury and interbank transactions by ALL 41.7 billion (14.2 percent). This comes as a result of deposit reduction in banks, credit institutions and other financial institutions, by ALL 29.6 billion or 38.3 percent. Meanwhile, transactions with treasury bills or other bills eligible for refinancing with the central bank decreased by ALL 20.06 billion, or 15.8 percent;
- Credit growth by ALL 104.3 billion or 35.67 percent;
- Increase in investments in securities other than Albanian Government treasury bills, by ALL 33.4 billion, or 25.1 percent. Such investments are comprised of 92.8 percent Albanian Government bills, followed by 3.5 percent in foreign government bills; and foreign banks and foreign financial institutions, accounting for 1.7 percent and 1.4 percent, respectively. Investments in other securities, with fixed or flexible income are only 0.5 percent of total investments.

As compared to the previous year, we have noticed an increasing tendency to invest in Albanian Government bonds. In December 2007, they made up 90.6 percent of fixed-and-variable-income securities portfolio. The increase of investments in Albanian Government bonds is ALL 16.66 billion or 13 percent. Other items have generally declined as a share of the total portfolio. Portfolio analysis shows that the majority of banks (11 out of 16 banks of the system) have credit portfolios denominated in ALL, and just three banks have portfolios denominated in foreign currency. The weight of investments in foreign currency securities (in non-resident institutions) is around 6.64 percent of the fixed-and-variable-income securities portfolio in December 2008, versus 9.38 percent in December 2007.

Table 9 Performance of the system's main asset items

Indicator	Dec'05		Dec'06			Dec'07			Dec'08		
	Sum*	Weight**	Sum*	Weight**	Change***	Sum*	Weight**	Change***	Sum*	Weight**	Change***
1. Treasury and Interbank transactions. Of which:	292.2	58.8	316.1	50.6	8.2	293.1	39.5	-7.3	251.4	30.1	-14.2
- transactions with central banks	46.1	9.3	55.4	8.9	20.2	67.1	9.0	21.1	69.2	8.3	3.3
- treasury bills	175.4	35.3	164.3	26.3	-6.3	127.0	17.1	-22.7	107.0	12.8	-15.8
- Transactions with other banks	60.4	12.2	82.6	13.2	36.8	83.0	11.2	0.5	55.4	6.6	-33.3
2. Operations with customers (gross)	127.8	25.7	198	31.7	55	292.5	39.4	47.7	396.8	47.6	35.7
3. Securities transactions	60.4	12.2	92	14.7	52.3	133.3	18.0	44.9	166.7	20.0	25.1
4. Other assets	3.5	0.7	5.4	0.9	54.3	9.7	1.3	77.8	8.4	1.0	-12.6
5. Fixed assets	7.3	1.5	9.5	14.8	30.1	11.1	1.5	16.8	15.2	1.8	36.3
Total Assets	496.6	100	624.3	100	25.7	742.3	100	19	834.1	100	12.4

\* in billion ALL; \*\* in percentage; \*\*\* in percentage

Source: Bank of Albania

System liability structure, as compared to 2007, reflects the following changes:

- “Treasury and interbank transactions” increased by ALL 56.6 billion or 134.3 percent. The main contributors are: credit growth of ALL 38.2 billion or 135.6 percent; and the increase in treasury bills and other eligible bills by ALL 18.5 billion or 12 times more than in the end of 2007;
- “Transactions with customers”, “permanent resources” and “other liabilities” increased by ALL 15.03 billion or 2.4 percent<sup>10</sup>, ALL 18.2 billion or 29.3 percent and ALL 1.75 billion or 22.7 percent, respectively.

Table 10 Performance of the system's main liability items

Indicator:	Dec'05		Dec'06			Dec'07			Dec'08		
	sum*	Weight**	Sum*	Weight**	Change***	sum*	weight**	change***	sum*	weight**	change***
1. Treasury and Interbank transactions	20.6	4.2	47.2	7.6	129	42.2	5.7	-10.6	98.8	11.8	134.3
2. Operations with customers (gross)	437.5	88	525.5	84.2	20.1	630.1	84.9	19.9	645.1	77.3	2.4
3. Other liabilities	2.8	0.6	5.3	0.8	89.3	7.7	1.0	43.4	9.48	1.1	22.7
4. Permanent Resources	35.6	7.2	46.1	7.4	29.5	62.2	8.4	35.6	80.4	9.6	29.3
Total liabilities	496.6	100	624.3	100	25.7	742.3	100	19.0	834.1	100	12.4

\* in billion ALL; \*\* in percentage; \*\*\* in percentage

Source: The Bank of Albania

During 2008, off-balance sheet items (commitments to and from other parties) increased their share to total assets, to 89.1 percent, versus 71.6 percent in 2007. This growth resulted from more rapid increase of off-balance sheet items than the system's assets-specifically 39.8 percent versus 12.4 percent in the previous year.

Over 2008, the banking system appeared with fewer commitments given and fewer commitments for financial instruments; whereas commitments received, foreign exchange transactions and other commitments increased, as shown in table 11.

Commitments received from other parties continue to be the most important off-balance sheet item, weighting around 86.2 percent, versus 6.9 percent weight of commitments to other parties and foreign currency transactions. Around 82.4 of all off-balance sheet items are commitments from customers as loan guarantees.

Change	In billion ALL	In %
TOTAL	+220.2	+39.8
Commitments to other parties.	-3.2	-5.9
Out of which:		
- Financing commitments	-6.0	-21.0
- Guarantees	+1.4	+5.5
- Securities commitments	+1.5	NA
Commitments from other parties	+176.1	+37.9
Out of which:		
- Financing commitments	+6.8	+45.4
- Guarantees	+167.8	+37.4
Foreign currency transactions	+38.5	+298.7
Other receivables/payables	+95.0	+197.2
Commitments for financial instruments	-30.8	-6.8

Source: Bank of Albania

Table 11 Off-balance sheet items change during 2008

Off-balance sheet items analyses at individual banks' level reveals that despite the average "off-balance sheet items to total assets" ratio of about 89 percent, in 11 out of 16 banks of the system, such ratio is well above 100 percent.

### 3.5 CONCENTRATION

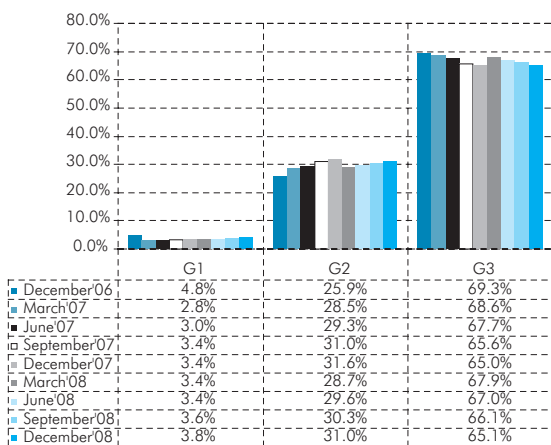
The Herfindahl index to total assets, deposits and loans showed stable levels. In recent years, there has been great progress towards optimal concentration level, although still far from it.

Table 12 H (Herfindahl) index of assets, deposits and loans concentration

	December'02	'03	'04	'05	'06	'07	'08
H Index (assets)	0.32	0.30	0.27	0.21	0.18	0.15	0.15
H Index (deposits)	0.37	0.35	0.31	0.24	0.20	0.17	0.17
H Index (loans)	0.17	0.15	0.11	0.10	0.11	0.11	0.12

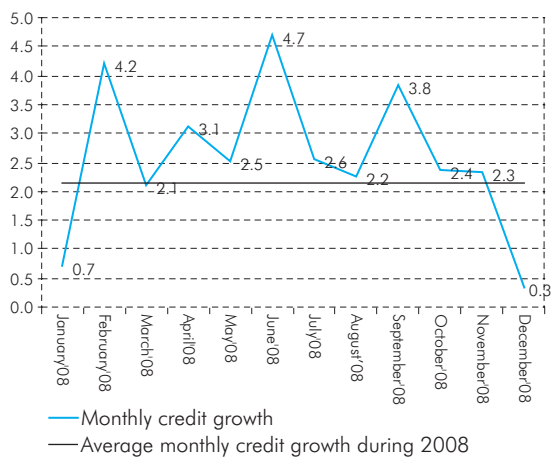
Source: Bank of Albania

Chart 3 Share of peer groups to the system, by total assets



Source: Bank of Albania

Chart 4 Monthly credit growth during 2008



Source: Bank of Albania

In December 2008, the shares of peer bank groups to total assets of the system are 3.9 percent, 31.0 percent, 65.1 percent for G1, G2 and G3, respectively, versus 3.6 percent, 30.3 percent and 66.1 percent at the end of the third quarter of the year; and 3.4 percent, 27.9 percent and 68.7 percent at the end of 2007. Another important indicator for measuring the concentration level is the CR4-Concentration ratio-calculating the weight of 4 largest banks in the system to total assets of the system. During the last couple of years, this indicator has shown a continuous falling trend, with a deviation in March 2008, due to the merger of two banks.

## 4. MANAGING BANK ACTIVITY RISK

### 4.1 CREDIT RISK

#### 4.1.1 Crediting Activity

Year 2008 witnessed credit growth of ALL 104.3 billion or 35.7 percent, as compared to ALL 94.5 billion or 47.7 percent during 2007.

During the last quarter of 2008 the system's outstanding credit increased by ALL 19.1 billion or 5.1 percent, versus ALL 30.8 billion or 8.9 percent in the previous quarter.

Quarterly credit growth	Q. I	Q. II	Q. III	Q. IV
In billion ALL	20,870.6	33,510.6	30,796.7	19,137.5
In %	7.1	10.7	8.9	5.1

Table 13 Quarterly credit growth during 2008

Source: Bank of Albania

Meantime, the monthly rate of credit growth is quite volatile, without a clear trend, against the average growth by 2.13 percent for 2008.

#### Information box 1. Credit portfolio growth in the future

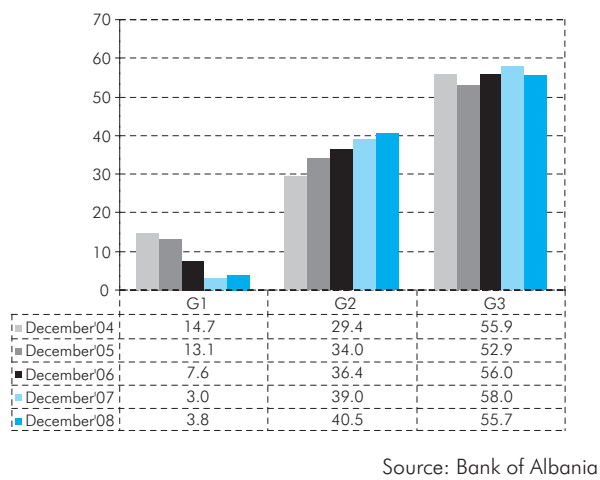
Regarding the next period, as a base scenario, we deem that it is highly possible for credit growth rate to continue their decline due to persistent insecurity in world financial markets, confidence crises among operators in such markets, and the gloomy perspective for global economic growth. Generally speaking, banks are coping with tight external financing conditions and high costs, a tense liquidity situation, in light of a highly probable economic recession in the near future. The Albanian banking system and the Albanian economy in general, are very likely to be impacted by these developments. If not, direct or indirect exposure to different paths represents possible scenarios. The first signs of the crisis impact on our system are: the decline in credit growth rate, deposit withdrawals during October–December 2008, reduced financial bottom-line, poor and worsening performance of the credit portfolio, and a diminution of relationships with non-resident financial institutions.

Most of the banks operating in Albania are either subsidiaries or branches of foreign banks, and as such, given the new market conditions, we expect them to restructure in line with new business philosophies of their parent banks, which would naturally be based on greater prudence. In spite of this, credit lines from parent banks, especially for branches or subsidiaries where financing lines play an important role for their well-functioning, seem to be sustained, or even increasing. However, their future path needs to be tested, given that the Greek supervisory authority has required that the crediting activity be as much as the deposit growth rates and credit return rates. Under such circumstances - where domestic financing is almost the sole source of activity expansion, system-wide, further deposit developments or satisfactory deposit growth rates are uncertain and tightly linked with the public confidence and perception about uncertain economic developments; a considerable number of banks, Greek banks in particular, have “credit to deposits” ratio of over 200 percent<sup>11</sup>; and when the subject matters of banking activity are prudence and strict risk management, -beyond other economic and macroeconomic developments, credit growth seems to be far from the growth rates observed in recent years.

Parallel to a possible credit reduction from the supply side, we expect the demand for credit to fall, as well. The first signs of uncertainty displayed in the last couple of months in the Albanian banking market are likely to defer consumption, resulting in reduced demand to finance it with consumer loans.

The greatest contributor to growth of outstanding credit during the last quarter of 2008, were G3 banks, followed by G2 medium-sized banks and G1 small-sized banks, with ALL 12.1 billion (5.8 percent), ALL 5.95 billion (3.8 percent), and ALL 1 billion (7.4 percent), respectively. Growth in outstanding credit for G3 banks comprises 63.5 percent of the increase of total outstanding credit, versus 31.1 percent for G2 and around 5.4 percent

Chart 5 Shares of bank peer-groups to total system's credit (in %)



for G1. Over 1 year, most of the credit growth can be attributed to G3 large banks, although G2 medium-sized banks seem to be catching up. However, in relative terms, credit growth for small-sized banks during 2008 seems to have been higher (with around 69 percent), partly due to the small calculation basis of this group as compared to G2 and G3 banks.

Unlike the previous quarter, an analysis of the dynamics of credit portfolio structure during the last quarter reveals a higher growth rate of credit granted to households than credit granted to enterprises. More specifically, the growth rates of credit to enterprises and households are estimated at 3.4 percent and 6.6 percent, versus 8.9 percent and 7.1 percent during the third quarter of 2008.

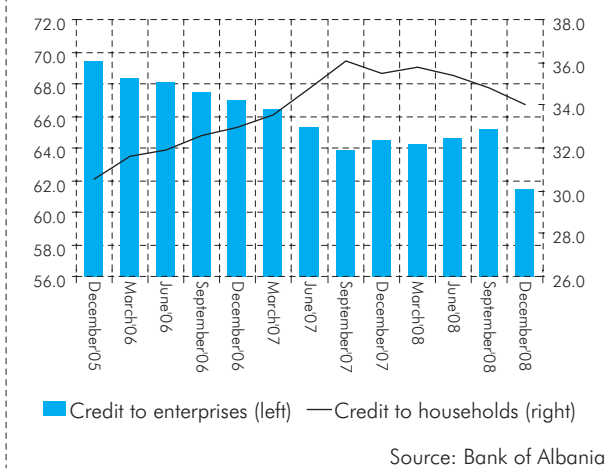
Despite their declining share to the total system's credit portfolio, enterprises remain the most stable and preferred segment to credit during 2008, with 61.77 percent of the total credit portfolio. In one year time span, the growth of both portfolios is comparable—namely 32.7 percent for enterprises and 35 percent for households.

About 59 percent of credit to households is denominated in foreign currency, out of which 95.2 percent in EURO and around 4.1 percent in USD. Meanwhile, 79.8 percent of the credit to enterprises is denominated in foreign currency—around 86.4 percent is in EURO and only 12.2 percent in USD.

The portfolio of credit to the public sector continues to feature high growth rates even in the last quarter of 2008—by ALL 2.54 billion or 28 percent,

reaching ALL 11.6 billion versus ALL 9.07 billion in the third quarter of 2008, and ALL 3.9 billion at the end of 2007. Its share to total credit portfolio has reached 2.39 percent versus 1.34 percent in December 2007 (the annual growth is estimated at ALL 7.7 billion or 195.7 percent).

Chart 6 Outstanding credit granted to households and enterprises (in % of total outstanding credit)



Despite ranked among countries with higher growth rates of credit granted to the private sector, Albania does not perform well, as compared to countries in the region, when it comes to the ratio of such credit to GDP<sup>12</sup>. Such ranking speaks about a relatively low contribution of credit to the economic growth in general, and to the private sector in particular. Nevertheless, the increasing trend of this ratio indicates positive developments in this regard.

	Credit to the private sector/ GDP (in %)
	2008
Albania (12/08)	36.0
Turkey (09/08)	35.5
Romania (07/08)	38.1
Bulgaria(08/08)	72.3
Serbia (06/08)	35.8
Former Yugoslav Republic of Macedonia (08/08)	41.2
Ukraine(08/08)	63.9
Cyprus (08/08)	269.7
Egypt (07/08)	42.1

Table 14 Credit to the private sector, as % of GDP in some countries of the region

Source: Mediterranean Emerging Market Economies Bulletin (National Bank of Greece), Vol 9, Issue 2-October'08

A classification of credit by subject (enterprises and households) and purpose of use<sup>13</sup> reveals that real estate investment loans granted to households has the highest share to total outstanding credit – 22.8 percent<sup>14</sup>. The next highest share is that of “overdrafts” granted to enterprises – 19.5 percent of the total outstanding credit. Real estate investment loans granted to enterprises make up 15.8 percent<sup>15</sup> of the total outstanding credit in the banking system. Consumer loans for non-durable goods granted to households have increased more than any other type of loan, followed by overdraft loans to households and real estate investment loans to enterprises.

Table 15 Credit by sector and purpose of use (in billion ALL)

Description	Dec. '07	Weight in %	Dec. '08	Weight in %	% change
Total Credit	287.5	100	388.3	100	35.1
Credit to enterprises	184.4	64.2	254.0	65.4	37.7
Overdrafts	48.4	16.8	75.7	19.5	56.4
Working capital	38.0	13.2	48.8	12.6	28.2
Purchase of equipment and machineries	60.0	20.9	68.3	17.6	13.8
Real Estate investments	38.0	13.2	61.2	15.8	61.3
Credit to households	103.0	35.8	134.3	34.6	30.3
Overdraft	4.6	1.6	7.5	1.9	64.9
Consumption of non-durable goods	2.1	0.7	3.9	1.0	83.8
Consumption of durable goods	19.6	6.8	22.3	5.7	13.7
Real Estate	65.9	22.9	88.6	22.8	34.4
Operational activity	10.9	3.8	12.0	3.1	10.0

Source: Bank of Albania

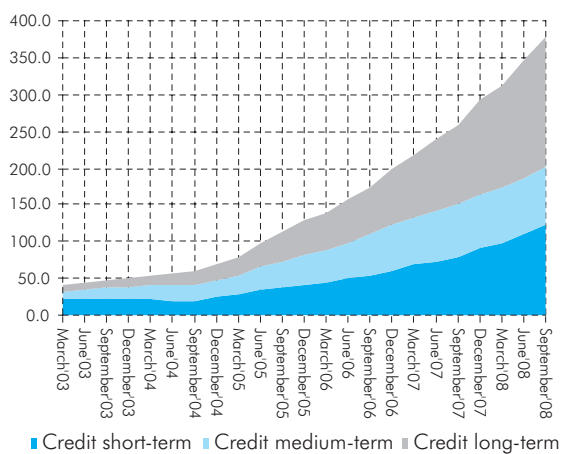
Credit by term structure continues to indicate a higher share of long-term credit, followed by the short-term one-both of which have grown considerably, thus reducing the share of medium-term credit. A higher share of long-term credit means higher optimization of resource use towards longer-term and more profitable assets. In the meantime, increasing short-term credit seems to be the result of rising business needs for working capital, and households' needs for consumption of non-durable goods - a remark confirmed by high growth rates of such types of loans during 2008.

	Dec. '05	Dec. '06	Dec, '07	March '08	June '08	Sept. '08	Dec. '08
Short-term	33.2	30.8	31.3	31.4	31.9	32.6	33.4
Medium-term	30.6	30.8	25.1	23.6	22.1	21.1	20.0
Long-term	36.2	38.4	43.6	45.0	46.0	46.3	46.6

Table 16 Term structure of outstanding credit, in percentage

Source: Bank of Albania

Chart 7 Outstanding credit volume by term structure, in billion ALL



Source: Bank of Albania

During the last quarter of 2008, an analysis of the dynamics of credit portfolio by currency shows a higher ALL credit growth rate-9.4 percent versus 3.5 percent foreign currency credit growth. Meanwhile, both the ALL and the foreign currency credit portfolios have almost the same annual growth rates (in absolute terms), 35.2 percent and 35.8 percent, respectively. Nonetheless, in absolute terms, foreign currency credit growth has significantly been higher or 2.5 times more than the absolute growth of ALL credit.

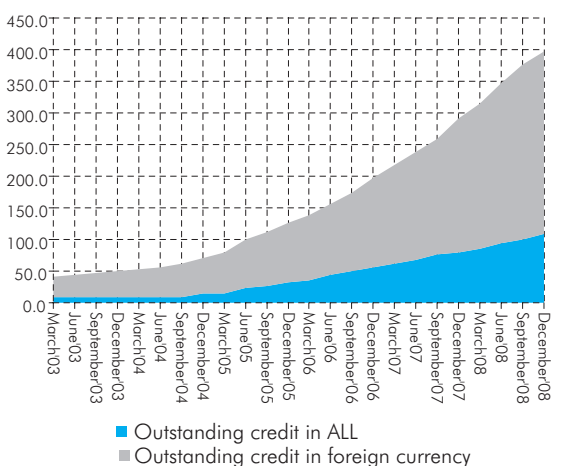
Changes occurred during the last quarter of 2008 have increased the ALL credit share to 27.4 percent versus 26.3 percent, although annual comparison with 2007 (27.5 percent) shows the same end-of-the-year growth rates at the end of the respective years.

Table 17 Currency structure of outstanding credit (in %)

Currency/ Years	Dec. '05	Dec. '06	Dec. '07	March '08	June '08	Sept. '08	Dec. '08
ALL	24.4	28.1	27.5	26.9	26.9	26.3	27.4
Foreign Currency	75.6	71.9	72.5	73.1	73.1	73.7	72.6

Source: Bank of Albania

Chart 8 Credit outstanding volume by currency, in billion ALL



Source: Bank of Albania

An analysis of peer-group banks' credit structure by currency reveals that G1 small-sized banks have the highest share of their credit portfolio denominated in foreign currency; whereas G2 medium-sized banks have the lowest share of foreign currency denominated credit in total credit portfolio. Large banks are estimated to better hedge against foreign exchange risk, arising from granting loans in foreign currency when borrowers' income is in ALL, as compared to medium-and-small-sized banks in the system.

Whereas, medium-sized banks are estimated to be more exposed to such risk, with 70 percent of their credit portfolio denominated in foreign currency.

Table 18 Currency structure of credit by bank peer-groups (in %)

	Foreign currency credit	ALL credit	Foreign currency credit un-hedged against exchange risk
G1	81.1	18.9	52.6
G2	69.6	30.4	70.0
G3	74.3	25.7	40.3
System	72.6	27.4	52.4

Source: Bank of Albania

The share of unhedged foreign currency credit from foreign exchange risk



to total foreign currency credit, accounts high-about 52.4 percent versus 50.1 percent, at the end of the first 9 months; however, almost unchanged, relative to the end of 2007. Meanwhile, non-performing loans in foreign currency, unhedged against foreign exchange risk amount to 46.9 percent of total non-performing loans denominated in foreign currency. 79 percent of the credit to households is unhedged against foreign exchange risk, as compared to only 41.9 percent of credit to enterprises. The data indicate that out of 36,575 outstanding loans in foreign currency, 24,010 (or 65.6 percent) are unhedged against foreign exchange risk.

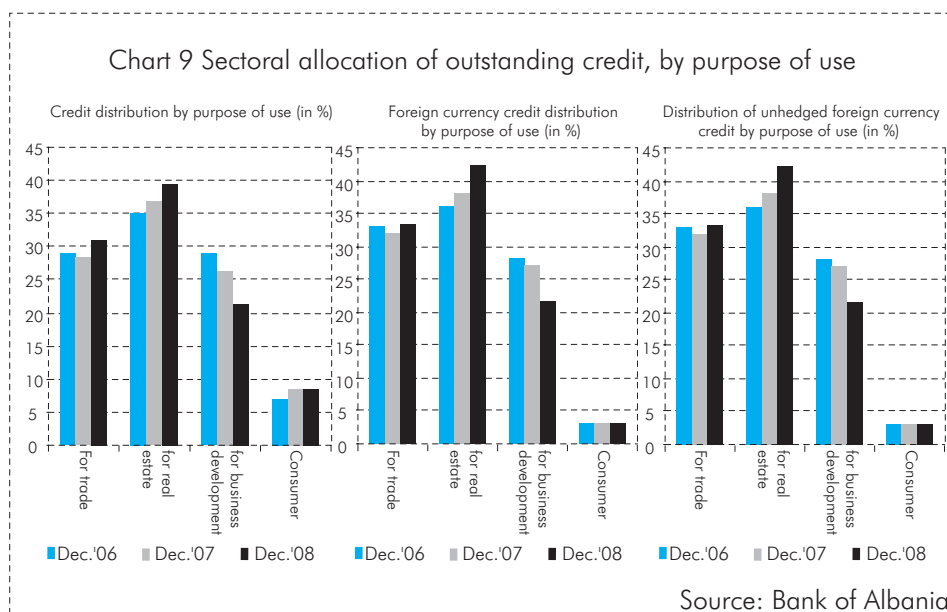
Table 19 The share of unhedged foreign currency credit from foreign exchange risk (in%)

	Dec. '06	March '07	June '07	Sept. '07	Dec. '07	March. '08	June '08	Sept. '08	Dec. '08
Foreign exchange credit, uncovered against foreign exchange risk	44.7	46.4	44.9	44.9	44.5	48.8	50.3	50.1	52.4

Source: Bank of Albania.

Concerning the unhedged portion of credit portfolio denominated in foreign currency, allocation by purpose of use indicates that the major share belongs to the real estate sector<sup>16</sup>, by around 54.2 percent, followed by trade credit by 24.3 percent, business development credit by 18.3 percent, and "consumer credit by 3.1 percent.

Referring to respective outstanding credit in foreign currency for each of the aforementioned categories, we notice that real estate credit is unhedged at an extent of 67.5 percent, consumer credit at an extent of 52.6 percent, trade credit at 38.2 percent, and business development credit at an extent of 44.6 percent.



Credit structure by economic sectors as at end 2008 (including only resident customers) remains almost unchanged as compared to the previous year.

Even during 2008 credit to enterprises, as a share of the total credit portfolio, prevails, with 65.4 percent, as compared to 34.6 percent share of credit to households.

Credit to "trade and maintenance of automobiles and domestic items" comprises the highest share, with 21.5 percent of the total portfolio, versus 21 percent in the previous year. This sector is estimated to have grown by around 38.1 percent. Construction follows with 14.3 percent share of the credit portfolio (versus 13.5 percent as of December 2007) and the credit made to this sector grew long the year by 43.2 percent; Whereas, the manufacturing industry has a share of about 9.2 percent (from 11 percent as of December 2007) with an annual growth of outstanding credit to this sector by about 13.3 percent.

The increase in enterprises share comes about as a result of higher growth rates in credit granted to enterprises as compared to credit to households-37.6 percent versus 30.5 percent, respectively.

Table 20 Credit by economic sectors (in billion ALL)

DESCRIPTION	Dec. '07 Share in %	Dec. '08 Share in %	Change in %	Non-performing loans/ outstanding loans. Dec. '08
Businesses	64.2	65.4	37.6	7.1
Agriculture, hunting and forestry	0.7	0.7	30.8	5.0
Fishing	0.1	0.1	33.8	11.3
Extractive Industry	1.8	1.5	10.9	4.4
Manufacturing industry	11.0	9.2	13.3	7.1
Production and distribution of electric energy, gas and water	4.0	5.5	85.9	2.2
Construction	13.5	14.3	43.2	7.6
Trade and maintenance of automobiles and domestic items	21.0	21.5	38.1	9.8
Hotels and restaurants	3.4	3.3	28.9	6.3
Transport, storage and telecommunication	1.5	1.5	36.2	7.4
Financial and monetary intermediation	1.3	1.9	90.2	0.2
Real estate, renting, etc.	0.8	0.7	25.2	13.7
Public administration	0.0	0.1	1926.0	1.9
Education	0.5	0.6	63.0	1.8
Health and social activities	0.5	0.5	36.4	12.0
Collective, social and individual services	2.3	2.3	34.9	3.8
Others	1.6	1.7	36.6	0.5
Households	35.8	34.6	30.5	5.7
Total	100.0	100.0	35.1	6.6

Source: Bank of Albania

Note: These data do not include non-resident customers and accrued interest.

#### 4.1.2 Asset quality

Unlike the third quarter of 2008, when non-performing loans appeared in relatively low levels as compared to previous periods and the total outstanding credit was growing, during the last quarter of 2008 the picture was reversed as a result of higher growth rates of non-performing loans-by 5.1 percent, as compared to total credit growth. The last quarter of 2008 marks ALL 10.77

billion more non-performing loans, or an increase of about 69.2 percent, as compared to ALL 640.6 billion or 4.3 percent during the third quarter.

Year 2008 witnessed growth in non-performing loans of ALL 16.5 billion, or 167.6 percent more than in the end of 2007. The growth rates in non-performing loans are regarded as worrisome. If a potential curbing of the total credit growth occurs in the future, we could expect a deterioration of its quality, as indicated by the ratio “gross non-performing loans/gross credit”.

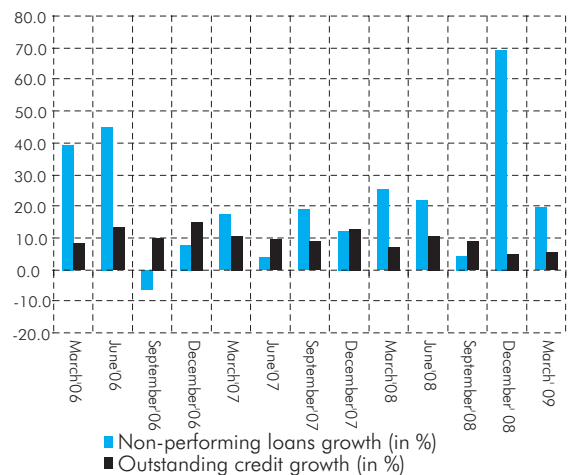
Due to higher growth rates in non-performing loans than in total credit during 2008 – specifically 167.6 percent versus 35.7 percent, - the credit quality indicator “non-performing loans/total credit” deteriorated rapidly. This ratio increased from 3.37 percent in the end of 2007, to 4.12 percent in the third quarter of 2008, to 6.64 percent in December '08. We consider the level of such ratio to be record high-the highest in the last six years. However, it is worth noting that this development was anticipated some time ago through credit portfolio quality analysis net of new credit effect, which warned about levels (for this indicator) well above 5 percent.

The indicator “non-performing loans/outstanding credit (net)”, which measures the extent of exposure to credit risk, is estimated at 3.9 percent, versus 2.1 percent in the previous quarter, and twice as high as 1.8 percent in the end of 2007.

An analysis of the ratio of non-performing loans to total credit portfolio, net of new loans effect, within one year time span calculated quarterly, continues to confirm a possible further deterioration of the credit quality indicator. The abovementioned ratio is regarded as a more realistic indicator of credit portfolio performance and risk level.

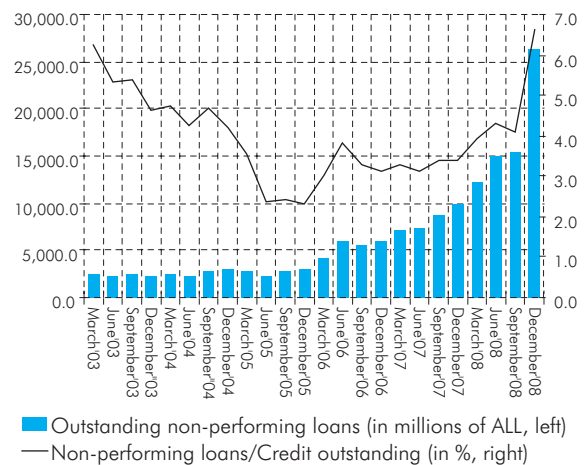
Chart 12 shows higher volatility in the first part of the period under consideration. Starting from the third quarter of 2006 until the end of 2007, the indicator seems stabilized at 5%. The first quarters of 2008 mark a growing trend and overshoot the 5% level, reaching 9% in December 2008. *It is worth re-noting that the conclusion our analysis in the previous quarters suggested, when we foresaw the*

Chart 10 Non-performing loan portfolio and total credit portfolio



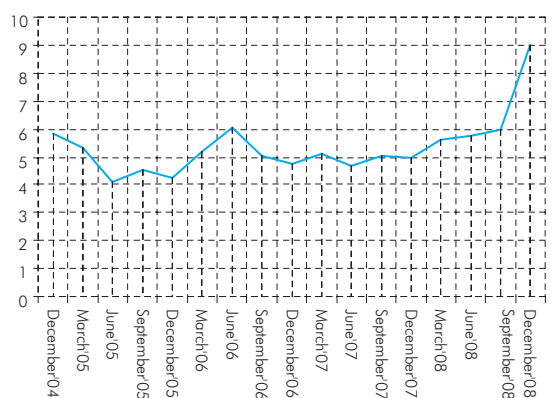
Source: Bank of Albania

Chart 11 Performance of outstanding non-performing loans in the banking system



Source: Bank of Albania

Chart 12 Current non-performing loans to total outstanding credit in the previous year (in %)



Source: Bank of Albania

credit quality indicator exceeding the 5% level in the following quarters, seems to be confirmed now. Furthermore, we also expect this indicator to increase in the upcoming quarters, thus becoming more worrisome at the extent of drawing attention to take appropriate measures to manage the situation and restrain further and quicker deterioration.

A portfolio quality analysis, in terms of concentration for borrowers, shows that the indicator “outstanding credit per borrowers” is considerably above the system’s average of about ALL 1.66 million per borrower, for the majority of banks.

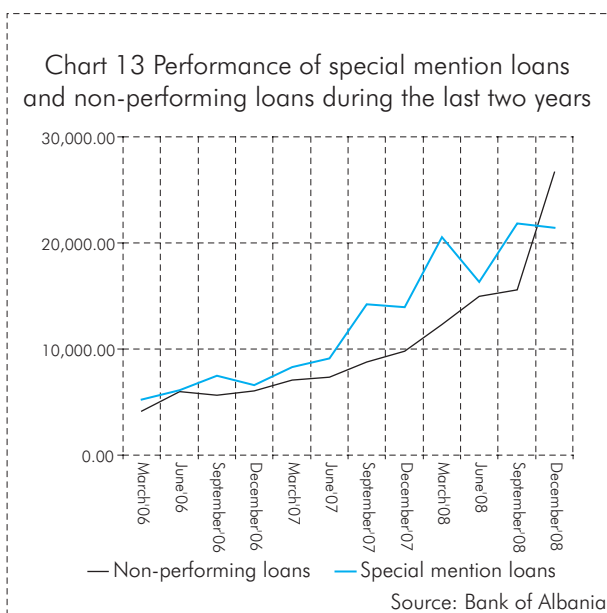
Credit portfolio structure by quality categories shows a decrease in “standard” loans and increase in “special mention” loans; whereas non-performing loans, according to the rating, marked a considerable increase in “substandard” loans and “doubtful” and “loss” loans.

Table 21 Credit rating as a percentage of outstanding credit

Credit Rating	2006				2007				2008			
	Q I	Q II	Q III	Q IV	Q I	Q II	Q III	Q IV	Q I	Q II	Q III	Q IV
Standard loans	93.2	92.4	92.5	93.5	92.9	93.0	91.2	91.9	89.8	91.0	90.0	87.3
Special mention loans	3.8	3.9	4.3	3.4	3.9	3.9	5.5	4.8	6.3	4.7	5.8	6.0
Substandard loans	1.1	1.4	1.6	1.1	1.3	1.3	1.6	1.7	2.1	2.4	1.9	4.0
Doubtful loans	1.0	1.5	0.7	0.9	0.9	0.9	0.8	0.8	0.8	1.0	1.3	1.4
Loss loans	0.9	0.8	0.9	1.1	1.0	0.9	1.0	0.8	1.0	0.9	1.0	1.3

Source: Bank of Albania

Monitoring special mention loans assumes great importance in the framework of credit portfolio monitoring, since they could potentially become non-performing loans. Our analysis indicates relatively stable levels of special mention loans and non-performing loans until June 2007; whereas, from September 2007 they have slightly increased, followed by the growth in non-performing loans (chart 13).



The observed fluctuations in special mention loans, and their temporary decline, should be analyzed and examined together with changes in non-performing loans. The decline in special mention loans accompanied by an increase in non-performing loans, and/or an increase in special mention loans as potential non-performing loans, should be treated with the same level of concern.

Over the last quarter of 2008, provisions to cover possible losses from non-performing loans increased by ALL 3.6 billion (46.9 percent); whereas in 2008 as a whole, they have increased by ALL 6.6 billion (139.2 percent). Despite this, the high non-performing loans growth rate (69.2 percent during the last quarter of 2008, and 167.6 percent during 2008) has led to a decline of the indicator

“provisions for non-performing loans / outstanding non-performing loans” to 42.9 percent, versus 49.3 percent at the end of the third quarter of 2008, compared to 47.9 percent in the preceding year.

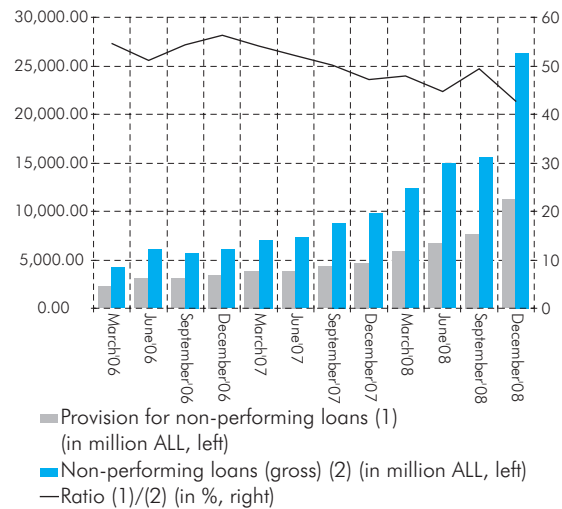
While non-performing loans increase, especially the substandard ones, the indicator “non-performing loans/regulatory capital” increases, thus reducing the system’s capability of covering possible credit losses.

Household credit portfolio and enterprise credit portfolio have worsened during 2008, particularly during the last quarter. Enterprise non-performing loans were 7.6 percent at year-end 2008, as compared to 4 percent in the previous quarter, and 3.6 percent in 2007. Such indicator is 5.5 percent for households, versus 4.6 percent in the previous quarter, and about 3 percent in December 2007. Evidently, the advantage stemming from diversification of credit to households is now confirmed.

The ALL credit portfolio continues to be more problematic concerning quality than concerning foreign currency portfolio. At the end of 2008 quality indicators for the former have worsened to around 7.5 percent versus 6.3 percent in the previous year. During the last quarter of 2008, such indicator increased by 2.72 percentage points, versus 1.91 percentage point growth of ALL credit quality indicator. However, taking into account the considerably higher share of foreign currency credit and the deterioration rate of the abovementioned indicator, we evaluate that the foreign currency credit situation is more worrisome because the risks and consequences of this portfolio are substantially more important.

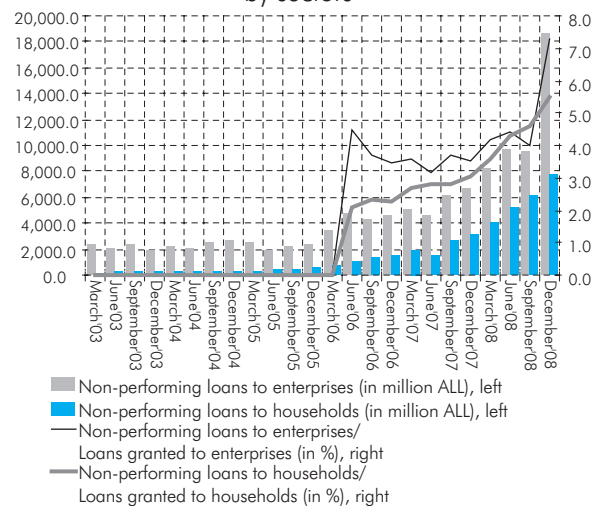
Quality indicators for the hedged foreign currency credit portfolio and the unhedged one, measured as “foreign currency non-performing loans (borrowers’ income are in foreign currency)/ total foreign currency loans (borrowers’ income are in foreign currency)”, and “foreign currency non-performing loans (borrowers’ income are in ALL)/ total foreign currency loans (borrowers’ income are in ALL)”, are estimated 7.1 percent and 5.7 percent in the last quarter of 2008, versus 5.7 percent and 3.74 percent in the preceding quarter.

Chart 14 Provision funds for non-performing loans



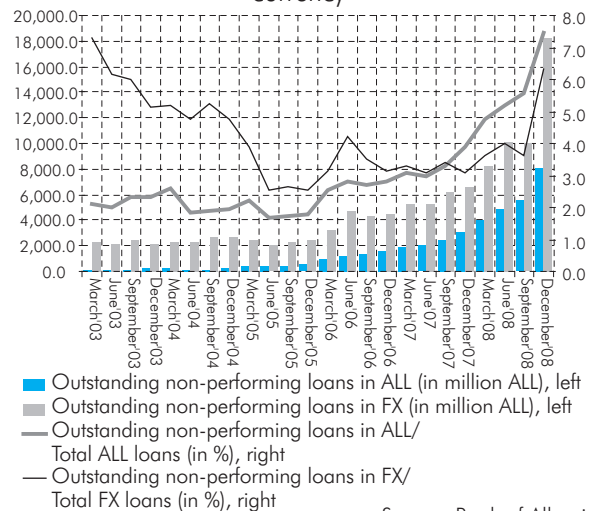
Source: Bank of Albania

Chart 15 Outstanding non-performing loans by sectors



Source: Bank of Albania

Chart 16 Outstanding non-performing loans by currency



Source: Bank of Albania

Unlike the previous period (end of September 2008), when the quality indicator of hedged foreign currency credit portfolio was significantly less problematic than the quality indicator of the unhedged portfolio, in the last quarter of 2008 we observe a more rapid deterioration of the former.

Meanwhile, the analysis of credit quality by economic sectors (table 20), at the end of 2008 recognises the “real estate, renting, etc.”, “health and social activities”, and “fishing” as the most problematic sectors. The non-performing loans for these sectors make up around 13.7 percent, 12.0 percent and 11.3 percent of outstanding loans, respectively. Nevertheless, considering the small weight of these sectors to total credit, we believe that their current situation does not pose any significant threat to the system.

With regard to “trade and maintenance of automobiles and domestic items” and “construction”, we estimate their situation to be more precarious. The “non-performing loans to outstanding loans” indicator for these two sectors is 9.8 percent and 7.6 percent, respectively-levels that are above the enterprise indicator and the system’s average. We deem that the situation has worsened not only due to the high level of quality indicators, but also due to the considerable weights of these sectors to total credit to enterprises, which strengthens the impact of potential further deterioration.

Finally, a cross-regional comparison of the main credit portfolio quality indicators ranks Albania relatively better than some countries, like Serbia, Romania, Ukraine and Egypt.<sup>17</sup>

Table 22<sup>18</sup> Credit quality developments in the region

	Non-performing loans/Outstanding loans
Albania	6.6%
Bulgaria	2.0%
Serbia	29.5%
Cyprus	5.1%
Former Yugoslav Republic of Macedonia	5.5%
Turkey	3.4%
Romania	10.3%
Ukraine	13.2%
Egypt	10.0%

Source: “South Eastern Europe & Mediterranean Emerging Market Economies Bulletin”, October 2008 (BOG)

## 4.2 LIQUIDITY

The banking system featured a satisfactory liquidity situation up until September 2008. The following months witnessed shrinkage of the deposit base in most banks. Such phenomenon adversely affected the liquidity situation, showing a decline of liquid assets in the system, increase of credit/deposits ratio, deepening of liquidity gap, and a restriction of the system’s ability to cover potential massive deposit withdrawals in the future.

#### 4.2.1 The system's deposits

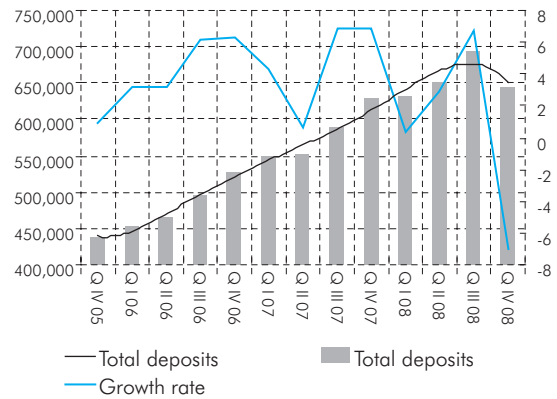
Customer deposits-the main financing source of the Albanian banking system,-increased by ALL 64.2 billion (10.2 percent) during the first nine months of the year, as compared to the end of 2007. An entirely different situation occurred during the last quarter of 2008. Deposits considerably declined by ALL 49.1 billion (7.08 percent), leading to an annual growth of ALL 15 billion, or just 2.4 percent.

Referring to developments in customer deposits, we observe a growing trend, on a quarterly basis, from December 2005 to September 2008. The last quarter of 2008 deviates from this trend.

By peer-group analysis, we observe a decline in all three groups-by ALL 43 billion (8.7 percent) in G3, ALL 5.6 billion (3.2 percent) in G2, and ALL 545 million (2.4 percent) in G1.

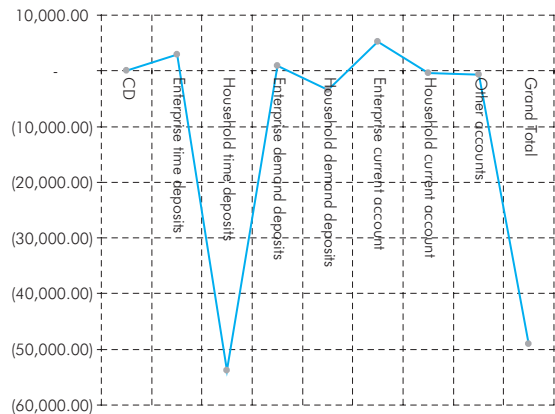
The decline of the system's deposits during the fourth quarter was caused by a large decline in household time deposits, by ALL 53.7 billion (11.6 percent). Demand deposits have moved in the same direction-falling by ALL 3.4 billion (8.8 percent). On the other hand, current accounts and enterprise time deposits depict moderate growth. Such developments reveal that the most sensitive segment to market insecurities is that of households, who seem to be less familiar with and less informed about real market developments.

Chart 17 Total deposits' growth performance



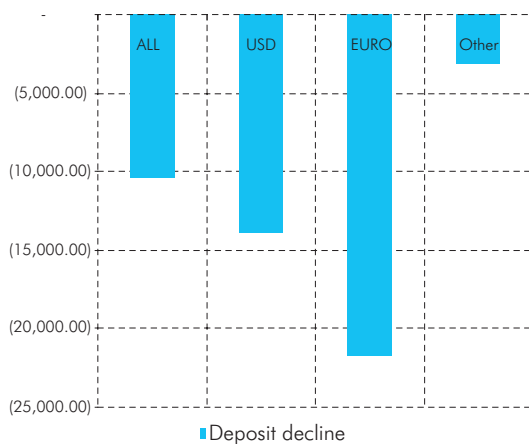
Source: Bank of Albania

Chart 18 Deposit growth/decline by sectors, 2 October – 31 December 2008 (billion ALL)<sup>19</sup>



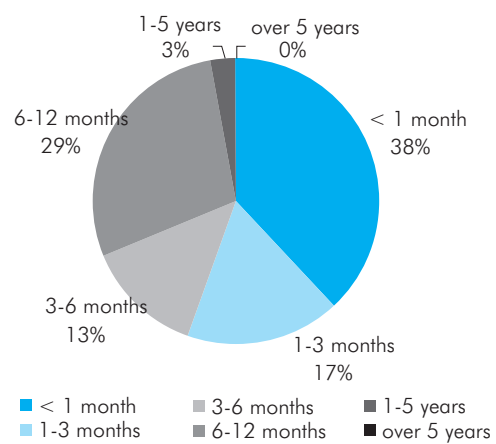
Source: Bank of Albania

Chart 19 Deposit decline by currency (in million ALL)



Source: Bank of Albania

Chart 20 Deposit structure by remaining maturity (December 2008)



Source: Bank of Albania

Deposits in ALL, EURO and USD have declined by ALL 10.4 billion (2.8 percent), ALL 21.7 billion (9.5 percent) and ALL 13.9 billion (18.1 percent), respectively. Deposit dynamics display variation across banks.

Deposits are regarded as short-term funding sources in the banking system. However, they continue to be the most sustainable type of funds. About 38 percent of deposits are due in less than 1 month, while only 3 percent of them are due in more than 1 year, as compared to 4 percent at the previous year-end.

#### 4.2.2 Deposit concentration

The Albanian banking system shows a high degree of deposit concentration, where the 5 largest banks in the system comprise 78.4 percent of total deposits, at end-December 2008. Analyzing deposit concentration by number of depositors, we note that G1 small-sized banks have the highest number of depositors.

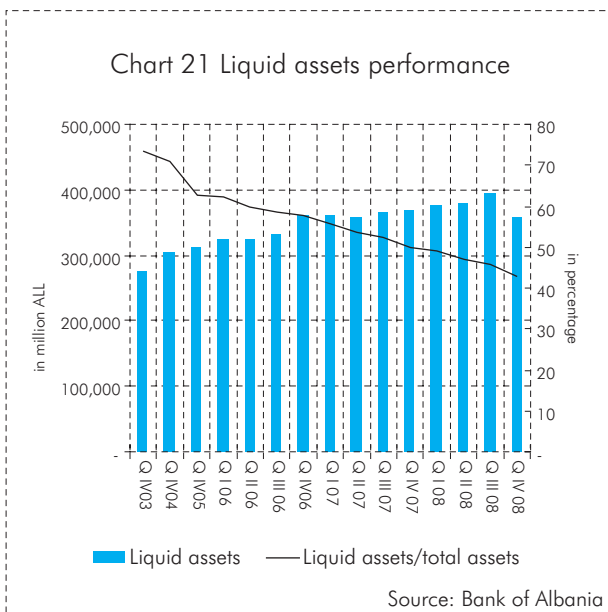
#### 4.2.3 Liquid assets of the system

At end-September 2008, liquid assets of the system mounted to ALL 393 billion, or ALL 23.4 billion more than in the end of 2007. When referring to the last quarter of 2008, the large deposit withdrawals led to a decline in liquid assets of ALL 35.9 billion (9.1 percent) in deposits. In total, during 2008, such assets were reduced by ALL 12.5 billion (3.4 percent).

Through years, total liquid assets, except for the last quarter of 2008, have increased, although moderately, whereas their share of total assets has followed a considerable declining trend. Its decreasing trend is the expected result of recent years' developments in the banking system. Banks have gradually shifted from low-risk short-term investments to longer-term, riskier thus, more profitable ones, such as loans. In 2003 liquid assets comprised 73.6 percent of total assets; in 2007 this share had declined to 49.8 percent, to reach 42.8 percent in 2008 (chart 21).

In the fourth quarter of 2008, the banks whose liquid assets show the largest decline are those that had the largest deposit withdrawals. Mostly G3 banks display the most serious decline in liquid assets.

In most banks of the system, the share of liquid assets to total assets has decreased quarter-on-quarter, especially during the last quarter of 2008. Such decline is estimated to be more significant for G3 banks.





#### 4.2.4 Composition of liquid assets

In the last quarter of 2008, “transactions with banks and other financial institutions” witnessed the largest decline, by ALL 44 billion (44.4 percent), of all components of liquid assets.

Treasury bills investments decreased by ALL 11.1 percent (9.4 percent), whereas investments in securities increased by 6%.

Chart 22 shows a growing trend of the share of securities investments to total liquid assets through years. Whereas, the share of treasury bills investments has declined. On the other hand, “transactions with banks and other institutions” shows stable levels, except for the last quarter of 2008-when its share declined by almost 10 percentage points.

A currency analysis of liquid assets shows that liquid assets in USD had the highest decline-by ALL 18.4 billion (37.6 percent),-followed by EURO denominated liquid assets-by ALL 17.9 billion (29.2 percent). The latter were strongly affected by EURO deposit withdrawals, which comprised the largest number. In the meantime, the ALL liquid assets decreased by ALL 4.7 billion (1.8 percent), whereas other currency liquid assets increased by ALL 5 billion (50.4 percent).

As a result, the weights of EURO and USD liquid assets to total assets decreased by 4 percent and 3 percent, respectively. In the meantime, the weight of ALL liquid assets increased to 75 percent, from 69 percent.

#### 4.2.5 Asset – Liability Gap

Maturities of bank liabilities and claims in different time periods show mismatches at end-December 2008. Asset-liability gap was positive during the first nine months of 2008, whereas for longer maturities, such gap had a negative value. During the last quarter of 2008 we observe a deepening gap in up to one month maturity to -131.4 billion, from ALL -80 billion. The reason behind such widening is the decline in up-to-1-month maturity assets (7.2 percent) coupled with an increase in liabilities of such maturity (11.5 percent). Changes in asset and liability items of up-to-1-month maturity seem to be a direct outcome of the large deposit withdrawals. Most banks used income generated from short-term assets to cover deposit withdrawals (which might have had longer remaining maturities).

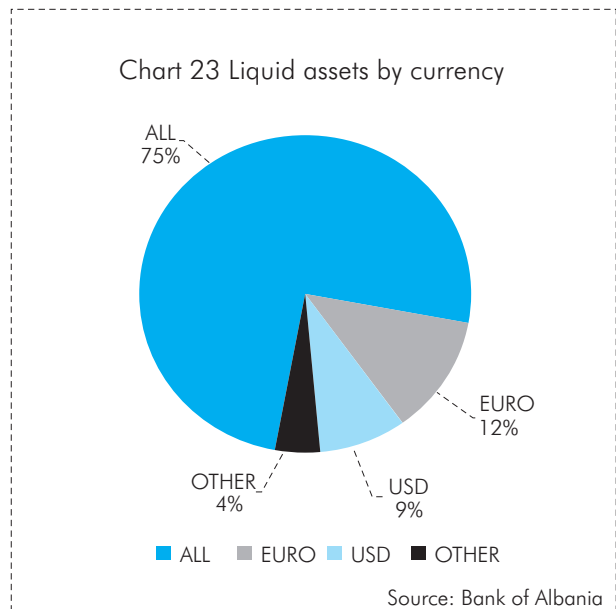
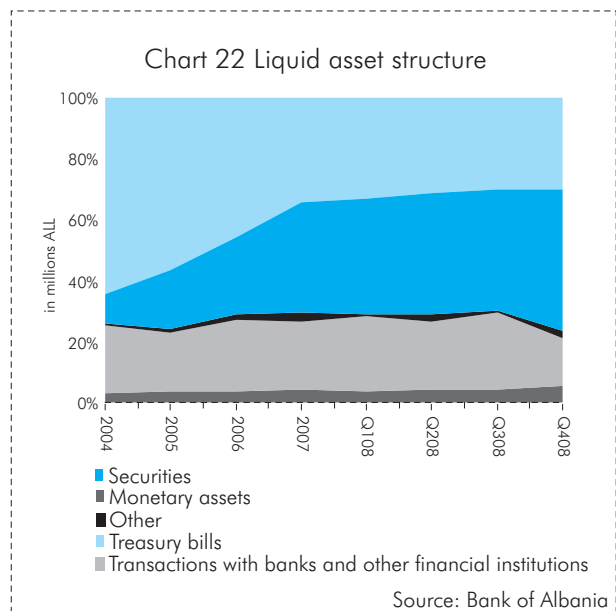
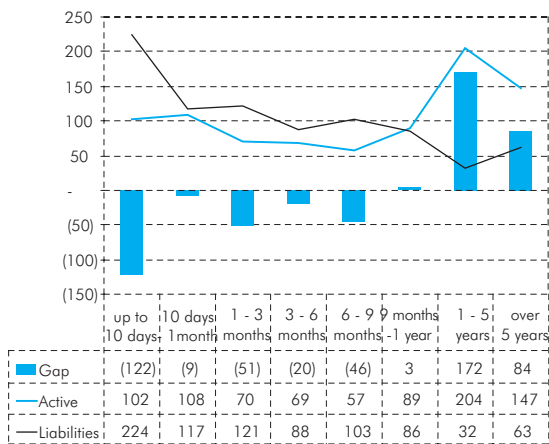


Chart 24 Asset-liability gap by non-cumulative remaining maturity (in billion ALL)



Source: Bank of Albania

High figures of this indicator might be a problem for those banks that do not have sufficient liquid assets.

Above-1-year maturity gap continues to be positive, widening in recent periods. Such development results from higher growth rates of assets with a remaining maturity of over 1 year (credit portfolio growth), as compared to same maturity liabilities.

The three month maturity gap has moved in the same direction with the monthly gap, thus widening its short position by ALL 36.8 billion (25 percent), as compared to September 2008. Meanwhile, its ratio to total assets has deteriorated to -21.9 percent, from -17 percent.

Table 23 The banking system's up-to-1-month maturity gap and up-to-three-month maturity gap

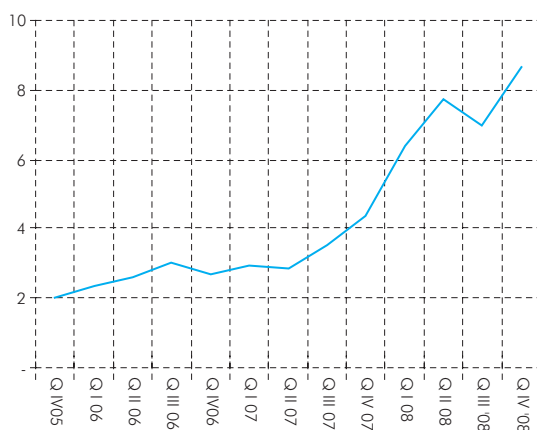
Indicator	Dec. '06	Dec. '07	March '08	June '08	Sept. '08	Dec. '08
Up-to-1-month maturity gap (in million ALL)	-69,942	-81,179	-59,770	-90,203	-79,879	-131,186
Up-to-3-month maturity gap (in million ALL)	-114,082	-128,613	-108,826	-173,761	-145,559	-182,389
Up-to-1-month maturity gap / total assets (in %)	-11.2	-10.9	-7.8	-11.2	-9.3	-15.7
Up-to-3-month maturity gap / total assets (in %)	-18.3	-17.3	-14.1	-21.5	-17	-21.9

Source: Bank of Albania

#### 4.2.6 Loans granted by non-resident banks and financial institutions

Loans from parent banks, other banks in the banking group and non-resident financial institutions are important sources of funds for some subsidiaries or branches of foreign banks in Albania.

Chart 25 Share of foreign funds to total liabilities of the system



Source: Bank of Albania

During recent years this source of funds has expanded. At year-end 2005 foreign funds accounted for just 2 percent of total system's liabilities, whereas at end-December 2008, their share was 8.6 percent.

Up to the third quarter of 2008, there were 5 banks in the Albanian banking system funded by non-resident institutions. In the last quarter of 2008, this number became 6 because one more bank established a credit line with its parent bank to cope with deposit withdrawals.

System-wide, such funds increased by ALL 10.9 billion (20 percent) during the last quarter of 2008, or 2.2 times as much as their 2007 total.

In addition to already used funds, these banks and others in the system have been approved by their parent banks idle credit lines, recorded as off-balance sheet items.

#### 4.2.7 Market Risk

Increasing loans in EURO, increasing deposits in EURO (except for the last quarter) and funds granted from parent banks in the recent years, have led to a gradual increase of foreign currency assets and liabilities and their higher share to the system's total assets. In December 2005 weights of foreign currency assets and liabilities were 44 percent and 44.2 percent, respectively; in December 2007 they marked 46.7 percent and 46.9 percent; whereas in December 2008 such weights had increased to 48.9 percent and 48.5 percent, respectively.

The EURO is the dominant currency in foreign currency assets and liabilities. The weight of Euro assets to total assets has generally been increasing. We believe that this shift towards Euro will continue in the following periods, given the increasing presence and importance of the Common European currency in the Albanian economy.

At year-end 2008, the system had long open positions towards all foreign currencies. The system's net open position in Euro, USD and CHF was positive, by ALL 1.5 billion, ALL 920 million and ALL 139 million, respectively; whereas positions in other currencies were insignificant.

In December 2008, no bank had violated the "open foreign currency position to regulatory capital" ratio, for any currency. Furthermore, all banks of the system were in compliance with the regulatory rate of 20% "open position in any currency to regulatory capital".

From a regulatory viewpoint, requirements for regulatory capital to hedge against market risks are very low and entirely met by the system's regulatory capital over 2008. Thus, the requirement for hedging against interest rate risk is 2.1 percent of the system's regulatory capital at year-end 2008, and it is calculated for two banks only. Requirements for hedging against exchange rate fluctuations are lower, almost 0.8 percent of the system's regulatory capital and calculations include most banks of the system.

The overall system's coverage rate of 144 percent, at end-December 2008, is considerably higher than the minimum requirement of not less than 100%.

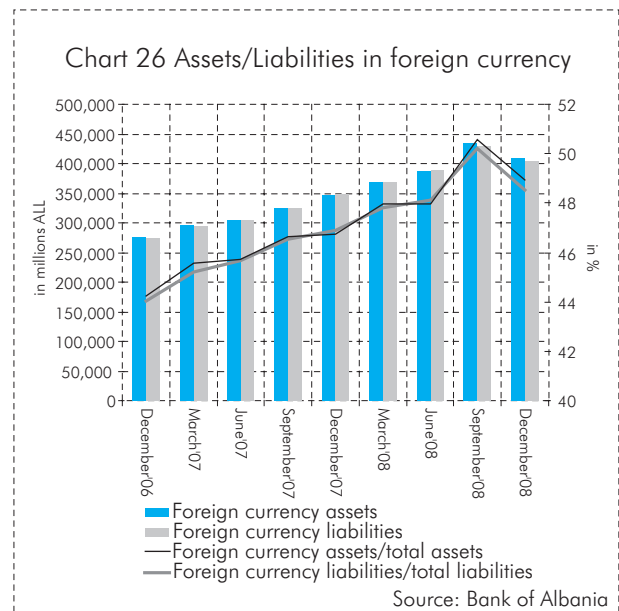
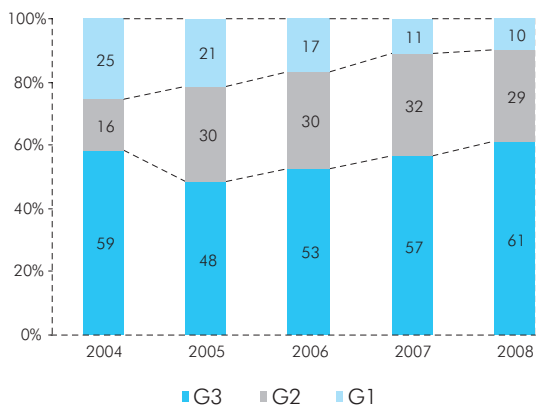


Chart 27 Shareholders' equity weights by bank peer-group



Source: Bank of Albania

## 5. CAPITAL ADEQUACY

### 5.1 SHAREHOLDERS' EQUITY

The shareholders' equity of the system was ALL 71.5 billion at year-end 2008. Over 2008, we estimate that it increased by ALL 15.4 billion (27.5 percent), versus ALL 14.5 billion increase (34.3%) during 2007.

Peer-group analysis tells that G3 large banks marked the highest shareholders' equity growth and contributed the most to the system's shareholders' equity, growing by ALL 10.2 billion (30.4 percent). All four banks of the G3 group witnessed shareholders' equity growth through the year. G2 medium-sized banks grew by ALL 4.7 billion or 28.8 percent.

G1 small-sized banks record ALL 0.6 billion more shareholders' equity, or 9.1 percent. All banks witnessed increase in shareholders' equity.

An analysis of peer-groups' shareholders' equity developments through years shows that the weight of G3 and G2 shareholders' equity has generally been rising, unlike G1's weight.

Such trend reflects the changes that the Albanian banking system has undergone. In 2004 there were just three banks in G2 group, but market developments brought about increase in market shares of small banks and their transition to G2. G3 banks continue to have the largest share of the system's shareholders' equity-about 61.2 percent at year-end 2008. Moreover, large banks and medium-sized ones have generally reflected higher demand for capital to fund activity expansion and maintain capital adequacy levels.

Table 24 The system's shareholders' equity structure and components performance

Indicators	December 2006		December 2007		September 2008		December 2008	
	mIn ALL	%	mIn ALL	%	mIn ALL	%	mIn ALL	%
Shareholders' equity	42,162.2	100	56,035.8	100	68,543.3	100	71,472.1	100
Paid-in capital <sup>20</sup>	34,768.4	71.5	41,135.4	64.3	48,153.1	64.1	51,112.7	66.2
Share premiums	363.5	0.9	1,401.1	2.5	3,078.6	4.5	3,704.6	5.2
Reserves	3,309.4	7.8	4,192.3	7.5	4,872.4	7.1	4,872.4	6.8
Revaluation differences	-4,611.5		-5,088.1		-4,206.2		-3,807.6	
Retained earnings	1,281.0	3.0	4,417.3	7.9	8,976.4	13.1	8,254.4	11.5
Current period profit/loss	7,051.3	16.7	9,977.8	17.8	7,669.0	11.2	7,335.7	10.3

Source: The Bank of Albania

- Paid-in capital is continues to be the most important item in shareholders' equity (table 24). During 2008 the system's paid-in capital increased to ALL 51.1 billion from ALL 41.1 billion, or 24.3 percent. As compared to the previous quarter, its weight to the system's shareholders' equity is about 2 percentage points lower.

- The system's retained income is estimated at ALL 8.2 billion, in the end of December 2008, or almost 1.9 times as much as in the end of 2007.
- Due to system's worsening performance during 2008, its net profit has decreased by ALL 2.6 billion, as compared to the end of 2007.
- Revaluation differences continue to be on the liability side, but during 2008 they decreased by ALL 1.28 billion (26 percent).
- Share premiums increased by ALL 2.3 billion or 164 percent.

Financial leverage	Banking system	G1	G2	G3
December 2008	11.7	4.7	12.4	12.4
September 2008	12.5	4.8	13.1	13.4
June 2008	12.6	4.5	12.4	14.0
March 2008	12.7	4.2	11.7	14.7
December 2007	13.1	4.0	12.9	15.0
December 2006	14.8	4.2	12.6	19.5

Table 25 Financial leverage by bank peer-group

Source: Bank of Albania

Assets to shareholders' equity ratio, a.k.a. the system's financial leverage have gradually decreased during 2008. A financial leverage decline from 31.1 percent to 11.7 percent in one year means that the system has used less debt to finance its activities. This level is quite better than that of European countries, USA or Canada. The above table shows a similar trend of G3 leverage and the system's, meaning that the decrease in the system's financial leverage was driven by G3 banks. G2's financial leverage, on the other hand, is volatile, while G1's has generally been rising.

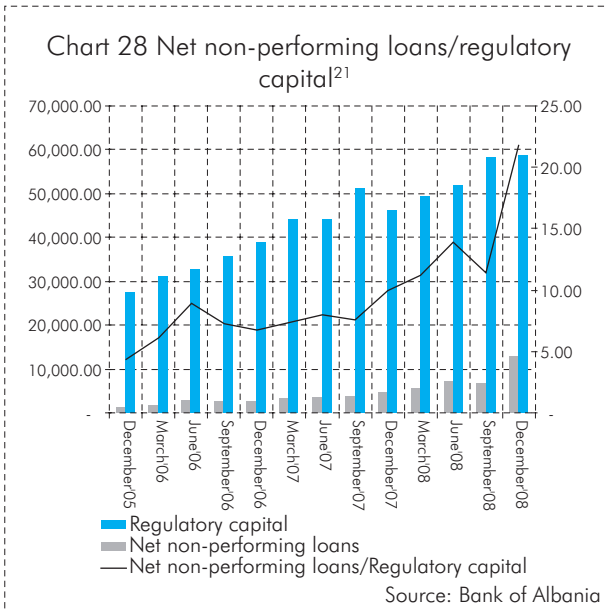
## 5.2 CAPITAL ADEQUACY RATIO

Total regulatory capital of the system was ALL 58.6 billion at end-December 2008. It has increased by ALL 214 million (0.37 percent), as compared to the previous quarter and by ALL 12.4 billion (26.9 percent) as compared to the previous year.

All three bank peer-groups have witnessed regulatory capital increase in 2008. G3's regulatory capital increased by ALL 8.4 billion (28 percent), with a 68% contribution to the system's regulatory capital growth. G2's, on the other hand, increased by ALL 3.2 billion (31 percent).

Core capital is still the dominant component of the system's regulatory capital, occupying 94.6 percent, versus 93.7 percent a year earlier, which speaks about a qualitatively better and more sustainable regulatory capital of the system.

At end-December 2008, net non-performing loans to system's regulatory capital was 21.7 percent, versus 9.9 percent at end-December 2007, and 11.4 percent in the end of the previous quarter. The indicator's annual



increase is the result of the high growth rate of non-performing loans, as compared to the regulatory capital growth rate of only 26.9 percent. Hence, the system's ability to cover potential credit losses with regulatory capital turns out to be significantly reduced, over one year.

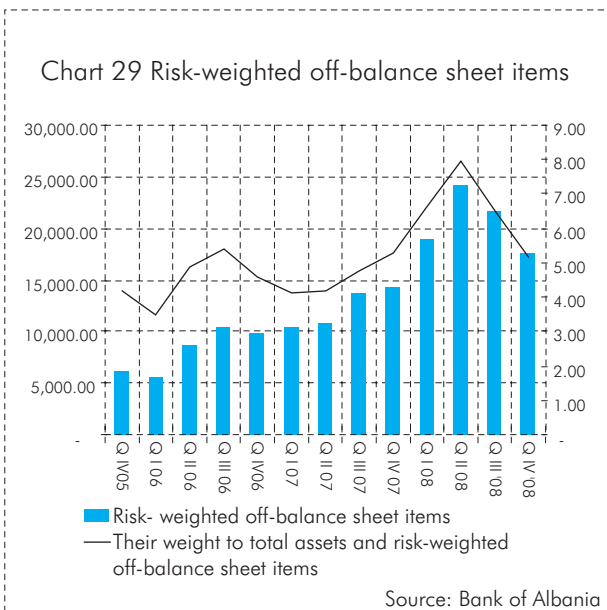
The most recent changes to the regulation "On credit risk management", defines that mortgage loans and other loans<sup>22</sup> to customers, which meet the requirements to be regarded as credit to borrowers exposed to foreign exchange risk, be weighted with 100 percent and 150 percent risk, respectively (from 50 percent, and 100 percent in previous periods).

Table 26 Performance of risk-weighted assets

Indicators (in million ALL)	December 2006	December 2007	September 2008	December 2008
Risk-free assets	340,775	324,678	342,101	334,268
Low-risk assets	79,720	88,391	89,284	54,651
Moderate-risk assets	17,500	18,877.5	22,607	17,842
High-risk assets	180,161	196,945	239,390	240,382
Assets weighted by 150 per cent	n/a	21,441	29,052	41,541
Risk weighted off-balance sheet items.	9,924.20	10,471.04	21,663	17,660.67
Total risk-weighted assets and off-balance sheet items	215,775	270,456	333,793	340,206

Source: Bank of Albania

Total risk-weighted assets and off-balance sheet items increased by around ALL 69.7 billion, or 25.8 percent during 2008. The data (table 26) speak about growth in all of the risk-weighted asset categories, except for moderate-risk assets.



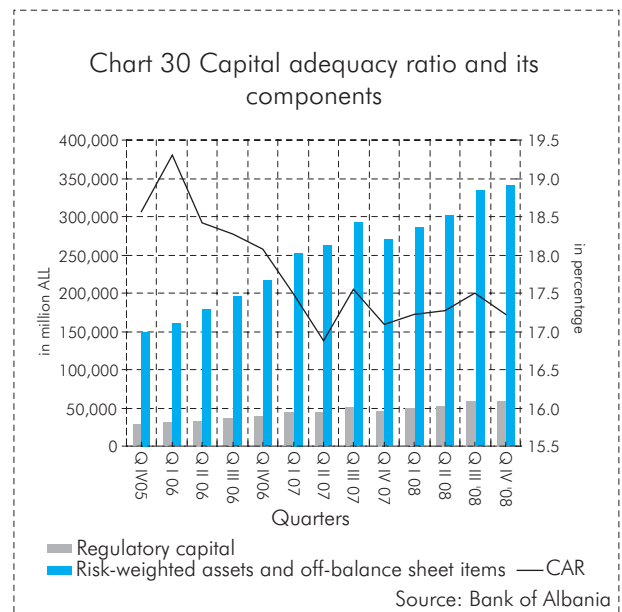
Off-balance sheet items are a very important and influential component of total risk-weighted assets and off-balance sheet items. Their share has been unstable in time, to reach 5.2 percent at end-December 2008 (chart 29).

All banks of the system have witnessed increasing risk-weighted assets and off-balance sheet items. By peer-groups, G1's have grown by ALL 8.8 billion (65.8 percent), G2's by ALL 21.9 billion (34 percent) and G3's by ALL 38.9 billion (20.2 percent).

As a result of comparable growth rates of the system's regulatory capital (29.6 percent) and of the total risk-weighted assets and off-balance

sheet items (25.8 percent) over 2008, the capital adequacy ratio is calculated to be 17.2 percent. Such level is estimated as 0.1 percentage point higher than in the previous year, and 0.3 lower than in the previous quarter.

Capital adequacy ratio shows a declining trend<sup>23</sup> until December 2008. During the first quarters of 2008, this indicator increased, and then again declined in the last quarter of 2008. The latter development seems to have been affected by the implementation of new rules for risk-weighted assets. Our calculations show that their increasing effect on total assets and off-balance sheet items is around ALL 11 billion, which means a decreasing effect of 0.6 percentage point upon the capital adequacy ratio. The impact of capital adequacy ratio on some banks was considerable.



The adequacy indicator continues to be higher for G1 small-sized banks, marking around 30.8 percent; while, the other two groups have lower figures. With regard to G1, such indicator fell by 9 percentage points in the second quarter of 2008 and consolidated this trend in the following quarters. G2 and G3, on the other hand, witnessed a quite volatile ratio throughout the year.

Capital adequacy ratio (in %)	G1	G2	G3	System
December 2008	30.8	15.3	16.6	17.2
September 2008	33.9	14.9	17.1	17.5
June 2008	36.2	14.2	16.9	17.3
March 2008	45.6	15.6	15.8	17.2
December 2007	45.1	15.8	15.5	17.1
December 2006	41.3	15.9	16.0	18.0
December 2005	35.0	19.4	14.4	18.6

Source: Bank of Albania

Table 27 Performance of capital adequacy ratio by bank peer-group

At end-December 2008, individual banks' capital adequacy ratio ranges from 14.3 percent to 131.9 percent. Just one bank temporarily violated the minimum requirement on capital adequacy, by 12 percent during the second quarter of 2008. The rest of banks generally depicted satisfactory levels of this indicator, throughout the year.

Potential growth of the system's total risk-weighted assets and off-balance sheet items, if regulatory capital is kept unchanged and the requirement on 12 percent minimum capital adequacy ratio is fulfilled, is estimated at ALL 148.2 billion or 44 percent. Breaking it down into bank peer-groups, G1 banks could potentially increase their total risk-weighted assets and off-balance sheet items by ALL 35 billion (or 157 percent); G2 banks by ALL 24 billion (28 percent); and G3 banks by ALL 89 billion (39 percent).

From a cross-regional comparison, Albania's capital adequacy ratio has generally followed a similar trend with most of the countries in the region

Table 28 Adequacy ratio in some countries of the region

Countries/Years	2004	2005	2006	2007	2008
Albania	21.6	18.6	18.0	17.1	17.2
Turkey	30.9	26.5	21.1	19.1	n/a
Romania	20.6	21.1	18.1	13.8	12.8
Bulgaria	16.6	15.3	14.4	13.8	14.5
Serbia	22.4	18.3	24.7	27.9	28.1
FYROM	22.8	21.3	18.3	17.0	15.6
Ukraine	16.8	15	14.2	13.9	13.4

Source: South Eastern Europe & Mediterranean Emerging Market Economies, October 2008 issue.

## 6. PROFITABILITY INDICATORS

### 6.1 NET INCOME AND ITS STRUCTURE<sup>24</sup>

The banking system's net result in the last quarter of 2008 is reported at ALL -333.35 million or ALL 2,959.17 million less than in the previous quarter. Such negative performance lies outside the historical pattern and has never occurred in the last five years, at least.

Table 29 Performance of key components of the income statement (non-cumulative), in million ALL.

Indicators	December '08	September '08	December '07
Net revenue from interest payments	7,882.32	7,800.56	7,192.43
Net revenue from other activities	1,573.00	1,843.21	1,386.20
Operational expenditures	5,382.26	5,189.06	4,654.97
Provision expenditures	4,003.07	1,414.12	1,000.46
Expenditures on loan provisions	3,903.04	1,412.02	1,007.52
Net Income (after taxes)	-333.35	2,625.82	2,166.78

Source: Bank of Albania

An analysis of the key components of the income statement shows that the system's net income was determined by expenditures on loan provisions, which increased by around 176 percent, or ALL 2,491 million. The last quarter's expenditures on loan provisions comprise 50 percent of the 2008 total expenditures on loan provisions. Meanwhile, if we measure the system's performance through operational revenues net of operational expenditures, we observe relatively balanced developments during the last two quarters of 2008, when net revenues from main operations are even slightly higher than in the previous quarter.

The banking system's performance for 2008, evaluated under a net income perspective, was significantly poorer than in 2007. The net result has been volatile during 2008. The second quarter of the year accounts for the system's best performance, or a 29 percent increase, followed by a more than 7 percent decline in the following quarter, and negative growth in the last quarter of 2008. Net result is calculated to be 26.5 percent lower than in the previous year—a development that depicts the high growth rate of expenditures on loan provisions to 142 percent or around ALL 4,881 billion, especially in the second half of 2008. Likewise, operational expenditures have considerably increased, by 23.6 percent, or ALL 3,825 billion as a result of constant expansion of banking activity system-wide.



Vis-à-vis the above panorama, net interest income and net income from other operations depict positive developments, increasing by 12.3 percent or ALL 3,365 million and 25.4 percent or ALL 1,431 billion, respectively. Such developments also testify about a higher correlation of net income and ancillary banking operations. We consider the increase in net income from interests and from other operations, though at a lower pace than in 2007, a reflection of a higher and continuous orientation of the banking system towards higher-risk assets (shown by the increasing weight of high-return assets) and generally consistent growth of the banking activity volume.

## 6.2 PROFITABILITY INDICATORS

The main profitability indicator, namely return on average assets (RoAA), as compared to the third quarter of 2008, is 0.38 percent smaller, representing a relative change of 29.5 percent. This development represents one of the largest fluctuations of this indicator, and was determined by the negative net result in the last quarter of the year, while average assets increased by 1.4 percent. Another important profitability indicator, return on average equity (RoAE), performed even more poorly, while average shareholders' equity increased by 3.2 percent.

Indicators	December '08	September '08	December '07
RoAA	0.91	1.29	1.48
RoAE	11.35	16.33	20.32

Source: Bank of Albania

Table 30 Main profitability indicators in percentage (cumulative)

The RoAA indicator has not been very stable during 2008, mostly conditioned by net result. It is worth noting that during 2008 RoAA never managed to reach 2007's level. In the first quarter of 2008, RoAA was 1.17 percent. The following two quarters witnessed better and more stable performance of this indicator, with its highest level recorded in the second quarter of 2008-1.31 percent. 2008 ended with a considerably lower RoAA. The significant decline, especially during the last quarter of 2008, as compared to year end 2007, was mainly driven by the significant decline in the system's net income, but not only that. Even the increase in average assets, by 20 percent has contributed to further widening of this difference

	G3	G2	G1
December 2007	1.64	1.37	-0.41
March 2008	1.54	0.50	-0.62
June 2008	1.62	0.73	-2.98
September 2008	1.75	0.50	-0.93
December 2008	1.35	0.16	-1.02

Source: Bank of Albania

Table 31 RoAA by bank peer-groups in percentage (cumulative)

An analysis of RoAA by bank peer-groups shows on an ongoing basis a considerably higher profitability for G3 banks, as compared to the other two groups. G3's RoAA is calculated at 1.35 percent, scoring the lowest level for 2008.

Even G2 banks' RoAA level is significantly lower, and more volatile within the group, than in previous periods, scoring outliers and volatile values.

Finally, the group of small-sized banks displays even higher negative values of RoAA. We deem that this situation confirms the inability of the group's banks to generate sufficient profit. The bulk of banks constantly report a negative net income.

*Information box 2. ROE analysis under a financial robustness viewpoint*

Return on Equity (ROE) is one of the basic indicators for evaluating banks' profitability or the banking system's in general. A higher ROE is generally a positive development when shareholders' equity does not decrease. Likewise, a lower ROE should not necessarily be interpreted as a negative development.<sup>25</sup> Hence, under a prudential viewpoint, this indicator should be interpreted with caution, since it can show changes related to rising risk levels, rather than just increase in profitability; or decreasing risk levels, rather than just decreasing profitability.

ROE can be rewritten as a composite of four indicators related to each other: profit margin, risk-adjusted income, level of risk taken and financial leverage.

$$ROAE = \frac{NI}{OI} \times \frac{OI}{RWA} \times \frac{\overline{RWA}}{\overline{TA}} \times \frac{\overline{TA}}{\overline{E}}$$

Where:

NI	Net income
OI	Operating Income <sup>26</sup>
$\overline{RWA}$	Average risk-weighted assets
$\overline{TA}$	Average total assets
$\overline{E}$	Average shareholders' equity

and

(1)  $\frac{NI}{OI}$  estimates the margin between revenues and costs. Increase in this ratio is a positive development.

(2)  $\frac{OI}{RWA}$  estimates the efficiency of risk-weighted assets. Increase in this ratio is a positive development

(3)  $\frac{\overline{RWA}}{\overline{TA}}$  estimates propensity to take risks. Increase in this ratio is a negative development<sup>27</sup>.

$$(4) \frac{\overline{TA}}{E}$$

estimates financial leverage.  
Increase in this ratio is a negative development.

A higher ROE, resulting from a higher profit margin indicator (the first indicator) shows reduction in financial insecurity because of a higher difference between revenues and costs/expenses. An increase in the risk-adjusted income indicator (the second indicator) can be viewed as a positive development, since it shows more income to risk-weighted assets. An increase in risk exposure (the third indicator) could be deemed a development that threatens financial robustness. And last, but not least, an increase in financial leverage (the fourth indicator) could be interpreted as loss of financial robustness, due to an increased level of relative debt and thus, higher risk.

At year-end 2007, ROAE marks 20.32 percent. As broken down into its four components:

$$ROAE_{2007} = 0.31 \times 0.13 \times 0.38 \times 13.74 = 20.32\%$$

At year-end 2008, ROAE is 11.35 percent. As broken down into its four components:

$$ROAE_{2008} = 0.20 \times 0.12 \times 0.38 \times 12.42 = 11.35\%$$

As we can observe, at year-end 2008 ROAE is 9 percent lower than a year ago, or a relative change of about 44.13 percent. The dynamics of this indicator is estimated as unbalanced and considerably decreasing. Quantitative analyses reveal that the decline in ROAE is driven by the decline of its 4 components, out of which the first one represents the largest decline. The resulting relative decline of the first two components is twice as large as the second two components, which have a lower contribution to determining ROAE trend<sup>28</sup>. Therefore, ROAE developments within one year speak about a rising degree of risk, leading to significant decline in the banking system's financial robustness.

The banking system's profitability from core operations and the equilibrium dynamics between collection of interest-payable sources and investments in interest-bearing assets is summarized in the following table:

Indicators	December '08	September '08	December '07
Interest income / average interest-bearing assets (1)	8.06	7.98	7.26
Interest expenses / average interest-bearing assets (2)	3.94	3.85	3.17
Net interest margin (NIM)[(1) – (2)]	4.13	4.13	4.09

Source: Bank of Albania

Table 32 Indicators of profitability from core operations in percentage (cumulative)

The last quarter of 2008 reflects the same level of the NIM as in the previous period. Analyses show uniform increases of both its components

As compared to year-end 2007, NIM levels are almost the same, whereas its components have increased proportionally. Such development speaks

about a balanced activity in both interest income and interest expenses, at a time when the banking system continues to sustainably invest in interest-generating assets and collect interest-bearing liabilities, although the weight of the portfolio of loans that generate higher interests than other assets has increased to total assets.

NIM performance during 2008 shows a slight and gradual declining trend. NIM marked its highest level of 4.24 percent at the end of the first quarter, to fall to 4.19 percent at the end of the second quarter and to 4.13 percent during the last two quarters of 2008. Both its components have continuously increased, which means that NIM's performance was determined by a higher growth rate of banks' financing costs, mainly customer deposits', as a reflection of the system's orientation towards gaining market share in financing sources.

Table 33 Average profitability indicators in million ALL (quarterly average)

Indicators	December '08	September '08	December '07
Average income- generating assets (1)	770,349.45	781,125.98	670,104.54
Average expense-bearing liabilities(2)	706,500.58	716,283.18	614,643.50
Average assets(3)	839,320.22	840,799.57	721,498.55
Ratio (1)/(3)	0.92	0.93	0.93
Ratio (2)/(3)	0.84	0.85	0.85

Source: Bank of Albania

In the last quarter of 2008, as throughout 2008, the banking system has shown stability to invest in income-generating assets and collect interest-bearing liabilities. This trend is indicated by the almost unchanged difference in time of both ratios presented in table 33. Expense-bearing liabilities and income-generating assets have maintained the same growth dynamics as average total assets.

Finally, the efficiency indicator has grown more slowly in the last quarter of 2008, as compared to the same period in the previous year. In cumulative terms, the efficiency indicator marks a higher value at year-end 2008, as compared to year-end 2007, 0.54 and 0.50, respectively. We consider the performance of this indicator to be quite balanced and its components to be growing in a progressive and sustainable manner.

Table 34 Efficiency indicator (non- cumulative) in million ALL

Indicator	December '08	September '08	December '07
Operational expenses <sup>29</sup>	5,382.26	5,189.06	4,654.97
Operational income	9,455.32	9,643.77	8,578.63
Efficiency (1)/(2)	0.57	0.54	0.54

Source: Bank of Albania

## 7. NON-BANK FINANCIAL INSTITUTIONS

Although with a small share to the financial system, there are a number of non-bank financial institutions that currently operate in Albania, some of which are subject to licensing and monitoring by the Bank of Albania.

Currently, the Bank of Albania licenses, regulates and supervises the activity of the following institutions, classified as non-banks (institutions that perform financial intermediation and other ancillary activities, closely correlated with financial intermediation but not classified as deposit-collectors, excluding here insurance companies and pension funds) according to the Bank of Albania's "Financial and Monetary Statistics Methodology"<sup>30</sup>:

- Financial Union of Tirana Ltd.;
- Albanian Post Jnt.stk.;
- "Credins" Association , Jnt.stk.,Tirana;
- Mountain Area Financing Fund;
- "Ak-Invest" Jnt.stk.;
- Opportunity Albania (name changed from "Albanian Partner in Microcredit" Jnt.stk. to "Opportunity Albania" by official document no. 1709, dated 15.05.2008);
- BESA Fund jnt.stk. (licensed with license no.10, dated 26.12.2008);
- The Savings-and-credit Associations' Union "The Albanian Union for Savings-and-credit" Tirana;
- "Jehona" Union of Savings-and-loan Associations, Tirana;
- Foreign Exchange Bureaus.

Currently, the weight of these institutions to the system's total assets is quite small-estimated at 1.68<sup>31</sup> percent and 0.51 percent at year-end 2008, for non-bank financial institutions and savings-and-loan associations, respectively, versus 2.1 percent and 0.48 percent at year-end 2007. Meanwhile, the banking system dominates with 97.81 percent share at year-end 2008.

Loans comprise the highest share to non-bank financial institutions' and savings-and-credit associations' share, estimated at 66.4<sup>32</sup> of non-financial institutions' balance sheets, and 88.5 percent of savings-and-credit associations' balance sheets. Other financial intermediaries, such as foreign exchange bureaus, do not perform lending activity.

Savings-and-loan associations do not classify under banks, but rather under other depository institutions due to their specific activity, which includes deposit collection from association members. They are subject to licensing and supervision by the Bank of Albania, and are a constituent part of savings-and-loan association unions. Such unions are required to report to the Bank of Albania on their financial situation and supervision requirements, on an individual basis and on a consolidated basis for the whole network of savings-and-loan associations-union members.

Non-bank financial institutions' total assets continuously increased during 2008, with the exception of the first quarter, when they declined by ALL 335.86 million, or 2.3 percent. In the meantime, savings-and-loan associations' assets were reduced by ALL 333.73 million or 9.13 percent during the first half of the year, to recover in the second half by about ALL 1 billion, or 30.4 percent. As such, at year-end 2008 their assets marked growth of ALL 678 million (18.5 percent in relative terms), as compared to year-end 2007.

Table 35 Asset structure

In million ALL	December '06	December '07	March '08	June '08	September '08	December '08
Banking system assets	624,279.3	742,855.1	768,846.8	807,202.1	857,266.1	834,139.3
Non-bank financial institutions' assets	13,655.7	14,492.2	14,156.3	14,692.7	15,868.2	14,358.1 <sup>33</sup>
Savings-and-loan associations' assets <sup>34</sup>	2,733.7	3,656.6	-	3,322.9	-	4,334.5

Source: Bank of Albania

In relative terms, the net loan portfolio of savings-and-loan associations comprises the highest share of their balance sheet, as compared to non-bank financial institutions'-more specifically, 88.5 percent<sup>35</sup> versus 66.4 percent. At the same time, savings-and-loan associations had a higher-quality loan portfolio during 2008, as compared to other non-bank financial institutions. The latter's loan portfolio quality indicator was 3.42 percent at year-end 2008, versus 1.95 of savings-and-loan associations'.

Table 36 Asset quality

Indicators <sup>36</sup>	NBFI	SLA
Total credit (in million ALL)	10,056.48	3,887.86
Outstanding credit/Total assets <sup>37</sup> (in %)	66.4	88.5
Non-performing credit (in million ALL)	343.93	75.66
Non-performing credit/ Outstanding credit (in %)	3.42	1.95

Source: Bank of Albania

An analysis of non-bank financial institutions' income statement structure, excluding those entities that are not licensed and supervised by the Bank of Albania, shows a higher share of interest income to total income (69.9 percent of total income, versus 42.77 percent at year-end 2007), whereas income from fees and charges comprises only 17 percent of total income. However, we expect the overall picture to change in the favour of income from fees and charges, due to the inclusion of Albanian Post. The expenses structure, on the other hand, is dominated by general operational expenses, which comprise 39.58 percent of total expenses, versus 49.57 percent at year-end 2007. Personnel expenses continue to be the dominating item in general operational expenses, followed by other administrative expenses.

Non-bank financial institutions' net result for 2008, excluding Albanian Post, is estimated at ALL 975.7 million. This result is estimated to be about ALL 291.6 million higher than in the preceding year's<sup>38</sup>. Moreover, such difference is expected to be bigger (on the positive direction), once Albanian Post is included in our calculations.

Savings-and-loan associations continue to be profitable, although less profitable than in 2007. At year-end 2008 these entities' net income was ALL 57.3 million, or 19.4 percent lower than in the previous year.

## E. CREDIT REGISTRY

### 1. OVERVIEW

The Credit Registry represents a development that takes financial infrastructure in Albania to the next level. It is also considered a very important element for ensuring financial stability in the banking system. Such registry includes an electronic database with demographic data, including real financial commitments and credit history of every borrower granted a loan by banks, foreign banks' branches, and very soon even other crediting institutions licensed by the Bank of Albania. The Credit Registry serves two main purposes:

- To assess and minimize credit risk to the banking system, so as to promote healthy and sound lending transactions and a more efficient and safer lending process, by dispensing relevant information on borrowers; and
- To strengthen and enhance risk-based supervision to the Albanian banking system. In this context, the Credit Registry offers an additional and very useful tool to improve real time analyses. Such registry helps assess general credit portfolio quality, identify credit concentration by banks and borrowing entities, assess banks' and borrowing entities' exposure to foreign currency risk in a detailed mode, identify types of collateral and other warranties used, identify links between different borrowing entities, identify parties related to a specific loan and a specific borrower, etc.

The Credit registry started to function "live" on January 3<sup>rd</sup>, 2008. Since that moment, the registry has been a valuable partner to banks of the system, providing them with the necessary information to make right assessments on borrowers' credit history to pay financial liabilities, as well as on their credibility, thus raising the possibility for a healthy and sound lending activity.

Priorities of Credit Registry Office during the first year of its operation were:

- Monitoring constantly the banks' reports to the Credit Registry, to ensure completeness and accuracy of data;
- Monitoring the way commercial banks use and interpret reports generated by the Credit Registry;

- Handling individual requests of borrowers and/or institutions entitled to request credit reports;
- Project for including microfinance institutions in the Credit Registry, etc.

## 2. REGULATORY FRAMEWORK OF THE CREDIT REGISTRY

The existing legal and regulatory framework ensures well-functioning of the Credit Registry. Currently, the Credit Registry works in compliance with the provisions of the Law no. 9662, dated 18.12.2006 "On Banks in the Republic of Albania", Law no. 8517, dated 22.07.1999 "On protecting personal data", Regulation "On the operation of Credit Registry at the Bank of Albania", and the Guideline "On generating the borrower's report procedure and revision of data held at the Credit Registry".

## 3. MAIN CHARACTERISTICS

Based on its main function and design, the Credit Registry characteristics are as follows:

### 3.1 AUTHORIZED USE OF THE CREDIT REGISTRY

Participation of commercial banks in the Registry by updating the database according to a format determined by the Bank of Albania is mandatory. These institutions provide information on their customers and get, in turn, the opportunity to retrieve information from the database on all their loan applicants. This means that besides information on borrowers' historical behaviour in paying their financial liabilities, the Credit Registry also provides information regarding borrowers' personal data, properties and collateral they have used as loan guarantees, etc. Such information completes the borrower's profile, better meets the needs for information of different lending institutions, thus improving the decision-making process and enhancing the lending process.

### 3.2 DATA REPORTING

All loans extended by the banking system, despite their monetary value, are reported to the Credit Registry. In this context, banks are required to report to the Credit Registry, every newly-granted loan, every new disbursement, paid-up loan and every loan extinguished from the balance sheet, together with information on parties related to a specific borrower or loan and collaterals, within the next working day. Banks are also required to update their credit portfolios and respective classification of loans, within the first 15 days of the following month.



### 3.3 TRANSPARENCY AND CONFIDENTIALITY

The database is protected and utilized in compliance with the requirements of the Law "On protection of personal data" and other laws and by-laws in force. At any case, to avoid any misinterpretation of data contained in the Credit Registry and to promote a higher transparency, borrowers are allowed to address the Bank of Albania, through a clearly defined procedure, to check the data existing about them in the Registry and request necessary modifications.

In addition, for a greater transparency, all the information on the Credit Registry can be found at the official website of the Bank of Albania 'www.bankofalbania.org'.

### 3.4 TECHNOLOGY

Technically speaking, the Credit Registry is capable of extending the number of users and interfacing with other public registries, according to institutions' interests and needs. At the same time, such interfacing is possible with other similar private registries, if they develop in the future. Of course in these cases, the regulatory framework will clearly determine the users, their rights and responsibilities.

## 4. AUGMENTING THE CREDIT REGISTRY WITH MICROFINANCE AND NON-BANK INSTITUTIONS

Currently, commercial banks are the only users of the Credit Registry. However, one of the objectives of the Bank of Albania in the near future is the inclusion in the Credit Registry of other non-bank financial institutions that engage in lending activity. In this way, the database will be expanded with other borrowers, including all lending institutions.

In this context, during 2008 the Bank of Albania was committed to design and pursue the project for including as reporters and database users microfinance institutions and non-bank financial institutions licensed to exercise lending activity. The project was designed and is being completed in several stages. In the first stage, there were introduced the project and its legal and technical requirements, as well as the IT infrastructure and the lending database of the candidate institutions. During the second stage, the institutions' capability of fulfilling the Credit Registry requirements and their willingness to enter the Registry were assessed. The third stage-to be completed in the coming year-aims at including the institutions in the Credit Registry and ensuring the credibility of this process.

## 5. INFORMATION GENERATED BY THE CREDIT REGISTRY

During 2008, the Credit Registry was widely used by commercial banks, by promoting and ensuring healthier and sounder lending activity, and serving as an additional instrument for banks to manage the credit risk. More specifically, the Credit Registry provides commercial banks with necessary information to correctly and quickly assess borrowers' paying ability and their creditworthiness, reducing decision-making time and lending costs and enhancing credit quality.

The Credit Registry also provides a broad set of products that serve the achievement of Bank of Albania's functions. Reports generated by the Registry aim at supporting the supervisory mission of the Bank of Albania, in terms of better assessment of credit risk, monitoring of non-performing loans, better assessment of credit portfolio quality, a more detailed evaluation of bank exposures to foreign currency funds, a more detailed evaluation of collateral types and loan guarantees used, identifying relations between different borrowing entities, etc. Some of the reports also serve as tools, to monitor the effectiveness of the Credit Registry with regard to bank reports, and their use of Credit Registry data. Such reports are effective and quick instruments due to their real-time generation, and help to grasp banking system trends more quickly.

## ENDNOTES

- <sup>1</sup> September inflation was 4.7 percent; while in December it was 2.2 percent.
- <sup>2</sup> BFSE Holding BV, The Netherlands (22.17 percent), and SECO through SIFEM, Switzerland (3.17 percent)
- <sup>3</sup> Paid-in capital includes capital donation to foreign banks' branches and issue premiums.
- <sup>4</sup> US capital includes banking system shares owned by IFC
- <sup>5</sup> The source of the average population in 2003, 2004, 2005, and 2006 is the Monthly Statistical Report – December 2008 of the Bank of Albania (table 04 - 03).
- <sup>6</sup> The source of population in January 2008 is the official website of the National Statistics Institute (accessed on 20.03.2009)
- <sup>7</sup> The source of population data in January 2009 is the official website of the National Statistics Institute (accessed on 01.01.2009).
- <sup>8</sup> G3 assets decreased during the fourth quarter of the year by approximately 23 billion ALL, or 4.1 percent (comprising 99.4 percent of the decrease in the system's assets during this quarter); G2 assets decreased by 1 billion ALL, or 0.4 percent, while G1 assets increased by 884.7 million ALL or 2.8 percent annually.
- <sup>9</sup> Albania's GDP of 2008, as estimated by the IMF, is ALL 1,069.14 billion.
- <sup>10</sup> During nine first months of 2008, concretely until end of the third quarter, deposits grew by about 10.2 percent or ALL 64.2 billion. Reduction of growth to 2.4 percent was due to deposit decline, which started in October, recording ALL 49 billion withdrawal (or about 76.6 percent of growth during nine first months), thus reducing the annual growth by ALL 15 billion.
- <sup>11</sup> Currently, the banking system depicts a credit/deposit ratio of 61.5 percent, versus 46.4 percent at year-end 2007. Such numbers remain among the lowest in the region. This means that our system has potential and unexploited capacity for lending. The credit/deposit ratio is 211.2 percent, 244.1 percent, and 108.8 percent for NGB, EB and TB, respectively. In the meantime, AB is estimated to have a credit/deposit ratio of 79.9 percent, at year-end 2008.
- <sup>12</sup> "Credit to private sector/GDP" ratio includes credit to both households and enterprises.
- <sup>13</sup> Data do not include non-residents
- <sup>14</sup> Credit granted to households for investments in real estate comprises 66 percent of total credit to households. Overdrafts are only 5.6 percent of the credit outstanding.
- <sup>15</sup> Credit to enterprises for investments in real estate comprises 24.1 percent of credit to enterprises. Overdrafts comprise 29.8 percent of the credit outstanding; whereas 26.9 are granted for purchase of equipment, and 19.2 for working capital.
- <sup>16</sup> This item includes credit granted to both households and enterprises for investments in real estate purposes.
- <sup>17</sup> Given that data for Albania are more recent (end of 2008) than data for other countries (refer to the note in the table), we believe that such indicators have deteriorated for other countries, as well. This means that their levels are most probably closer to Albania's. In addition, to be more precise, we would have needed to consider the differences in the methodology of estimating non-performing loan portfolios for all the countries. Differences stemming from different methodologies might result quite substantial.
- <sup>18</sup> Data for countries in the region refer to year-end 2007, with the following exceptions: Albania (December '08), Serbia (June '08), FYROM (August '08) and Romania (July '08).
- <sup>19</sup> The chart was constructed with daily operational data reported by banks at the Bank of Albania.
- <sup>20</sup> Paid-in capital weights in percentage are calculated with re-evaluation differences.
- <sup>21</sup> This indicator does not include the two branches of foreign banks in Albania, since December 2007.
- <sup>22</sup> New loans and restructured loans, from September 2008
- <sup>23</sup> The increase of this indicator in September 2007 results from excluding two foreign banks' branches from our calculations.
- <sup>24</sup> Net Income for the last quarter of 2007 and some of its main components are different from what was reported in the analysis published last year. Such difference is calculated to be ALL 589 million less, and stems from re-estimating some components of the 2007 consolidated income statement during 2008.

<sup>25</sup> This methodology was first used by the Bank of England in its reports on financial stability, followed by the Bank of Denmark and the Bank of Sweden.

<sup>26</sup> Sum of net interest income and net income from other operations

<sup>27</sup> Especially when growth rates are high and consecutive, after the indicator has reached a relatively accommodating level.

<sup>28</sup> Calculations regarding the effects of both second components reveal that given the same level in both years, the decline in ROAE would still be very high-about 12.6 percent.

<sup>29</sup> Expenses for other activities, excluding provisional expenses

<sup>30</sup> Bank of Albania (2003), Financial and Monetary Statistics Methodology

<sup>31</sup> Albanian Post is not included in our calculations, due to non-availability of reports. If this institution is included, we believe that the weight of non-bank financial institutions to the financial system would be greater than what is reported here, and the weight of the banking system would be relatively smaller. Although estimated as insignificant, such changes could bring the weight of non-financial institutions to 2007 levels.

<sup>32</sup> Such figure is expected to be considerably lower once Albanian Post is included in our calculations. Because this institution does not engage in lending activity, including it would lead to higher non-bank financial institutions' assets, without changing the total credit. This would result in reduction of this indicator below 66.4 percent.

<sup>33</sup> Total assets of non-bank financial institutions are expected to be higher than what is reported at year-end 2008, due to the exclusion of Albanian Post, because of non-availability of data. Such anomaly is not present in the previous quarters.

<sup>34</sup> According to the regulation "On the supervision of savings-and-loan associations and their unions", article 11, which addresses reporting issues, these institutions are required to report to the Bank of Albania on their financial situation and supervision norms every 6 months.

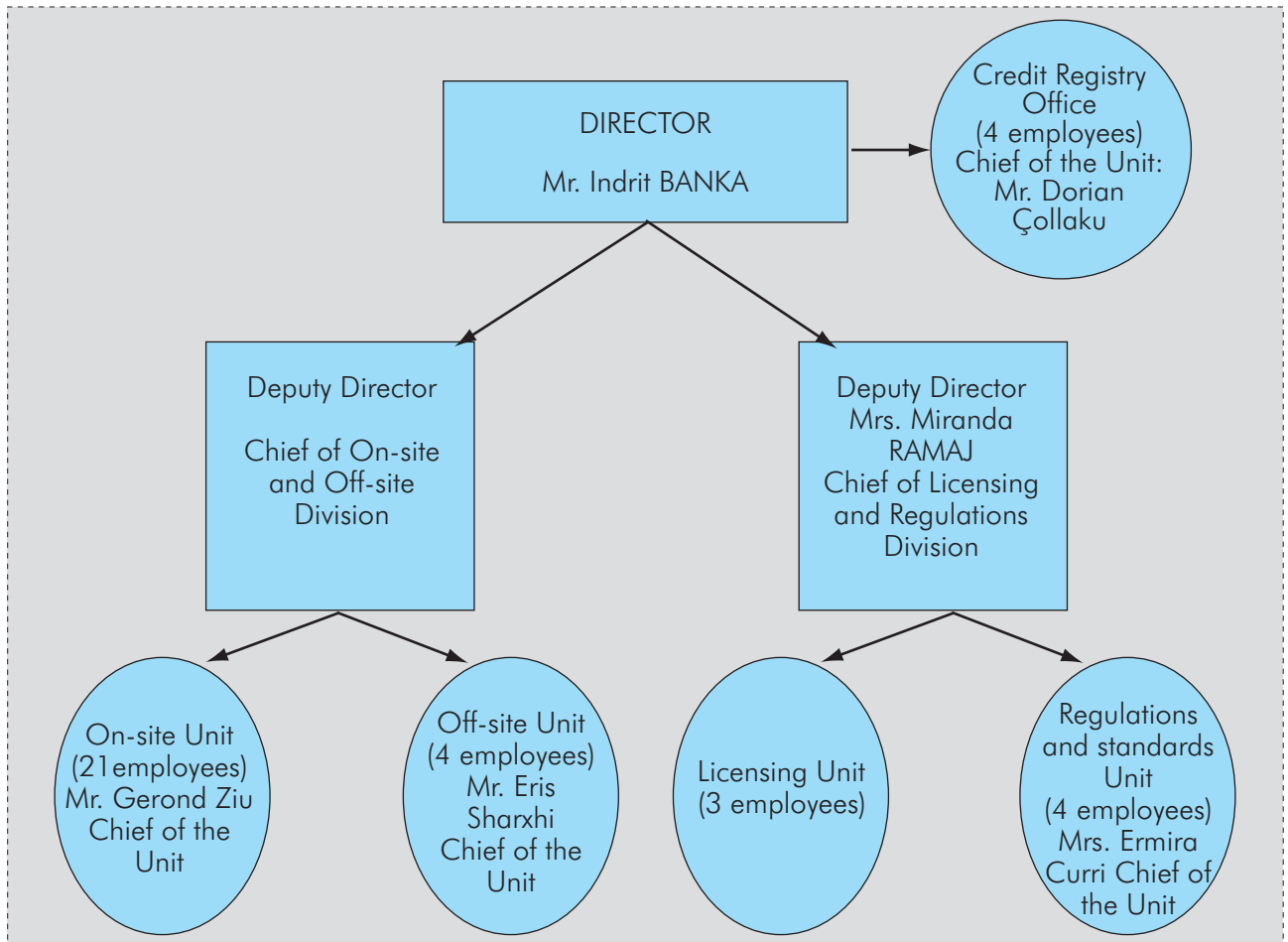
<sup>35</sup> Loans are calculated as net loans (excluding provisions and potential losses from non-performing loans).

<sup>36</sup> Except for "outstanding credit/total assets", all other indicators are on a gross basis (including provisions).

<sup>37</sup> Net

<sup>38</sup> When calculating the difference, the 2007 result includes Albanian Post, as well.

ANNEX 1. ORGANISATIONAL CHART OF THE SUPERVISION DEPARTMENT (AS OF DECEMBER 31, 2008)



## ANNEX 2. EACH BANK'S SPECIFIC SHARE TO THE BANKING SYSTEM (AS OF DECEMBER 2008)

Banks	Indicators in %							
	Total balance sheet	Permanent resources	Shareholders' equity	Credit outstanding	Non-performing loans	Treasury bills	Securities	Total deposits
Raiffeisen Bank	30.1	23.6	24.8	21.4	35.0	38.7	55.7	33.4
United Bank of Albania	0.6	1.4	1.5	0.5	0.6	0.0	0.0	0.5
Italian Development Bank	0.5	1.3	1.4	0.7	0.1	0.0	0.0	0.5
National Commercial Bank	12.3	9.4	9.9	8.8	7.7	18.3	9.8	14.3
Tirana Bank	9.8	12.9	13.4	14.2	7.6	7.4	4.3	8.0
International Commercial Bank	0.6	1.6	1.7	0.5	0.4	0.5	0.5	0.5
Intesa Sanpaolo Bank Albania	12.9	13.1	13.1	11.3	7.6	10.6	21.9	14.0
Procredit Bank	3.7	4.7	4.0	4.2	3.3	2.1	0.4	3.9
Emporiki Bank – Albania	3.1	5.1	4.2	5.9	10.7	0.1	0.0	1.5
Branch of National Bank of Greece, Tirana	6.6	4.1	3.9	9.4	9.4	1.8	0.2	2.7
Alpha Bank – Albania	8.5	8.6	9.0	11.3	6.4	9.0	1.4	8.7
First Investment Bank, Albania	0.4	1.3	1.5	0.4	0.3	0.1	0.5	0.3
Credit Bank of Albania	0.2	1.5	1.7	0.1	0.1	0.1	0.0	0.1
Credins Bank	4.9	6.0	4.5	6.4	3.3	1.9	1.0	5.3
Popular Bank	4.3	3.5	3.7	3.4	6.9	8.6	4.2	4.6
Union Bank	1.5	2.0	1.7	1.6	0.5	0.7	0.1	1.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

## ANNEX 3. ASSETS AND LIABILITIES

## ASSETS LIST (IN ALL MILLION)

DESCRIPTION	December 2007	December 2008
TOTAL ASSETS	742,332.32	834,139.28
Treasury and interbank transactions	293,066.22	251,384.41
Cash in hand	16,008.58	19,785.51
Transactions with the Central Bank	67,059.74	69,249.05
Required reserve at the central bank	56,684.97	60,899.10
Other	10,374.77	8,349.95
Treasury bills and other bills eligible for refinancing with CB	127,036.95	106,980.96
Treasury bills	127,036.95	106,980.96
Other bills eligible for refinancing	0	0
Reserve funds for other eligible bills for refinancing with the CB	0	0
Transactions with banks, credit institutions and other financial institutions	82,960.96	55,368.88
Current accounts	2,624.74	3,934.76
Deposits with banks, credit institutions and other financial institutions	77,263.21	47,678.99
Loans	1,159.25	1,631.94
Other	1,913.76	2,123.19
Operations with customers (gross)	290,554.49	394,126.18
Loans to private sector and individuals	273,495.65	365,425.37
Short-term loans	73,928.02	102,939.77
Medium-term loans	72,871.73	78,720.00
Long-term loans	63,742.70	100,922.39
Real estate loans	62,875.02	82,385.00
Finance lease contracts	78.19	458.20
Loans to public administration	0	1,857.00
Current accounts	0	0.00
Loans	0	1,857.00
Other accounts	0	0
Other customer accounts	17,058.84	26,843.82
SECURITIES TRANSACTIONS	133,317.38	166,742.25
Fixed income securities	133,317.38	165,966.26
Variable income securities	0	0
Securities purchased and sold under REPO	0	775.99
Paid collateral	0	0
Received premiums	0	0
PROVISIONS	(5,204.61)	(12,567.33)
Provisions for covering losses from loans (principal)	(4,577.59)	(10,858.87)
Provisions for covering losses from loans (accrued interests)	(136.52)	(417.89)
Investment provisions	(490.50)	(1,290.57)
OTHER ASSETS	9,661.22	8,447.20
Other assets	3,545.61	4,686.87
Agent transactions	4,563.42	206.84
Inter-office accounts	90.76	105.02
Suspense, difference and position accounts	1,461.10	3,367.71
Suspense accounts	1,429.65	3,317.11
Position accounts	31.45	50.60
Value added tax	0.32	80.75
ASSETS	11,132.87	15,169.58
Investments on participation equity	12.37	12.58
Affiliates	92.25	92.25
Assets (net)	11,028.25	15,064.75
ACCRUED INTERESTS	9,804.76	10,836.98
Accrued interests (Class 1)	5,214.27	5,085.03
Accrued interests (Class 2)	1,898.51	2,642.16
Accrued interests (Class 3)	2,691.97	3,109.79
Total assets in foreign currency	347,267.30	408,066.08
Total assets of non-residents	98,662.05	80,836.94

## LIABILITIES (IN ALL MILLION)

DESCRIPTION	December 2007	December 2008
TOTAL LIABILITIES	742,332.32	834,139.28
TREASURY AND INTERBANK TRANSACTIONS	42,153.94	98,759.57
Central Bank	344.35	574.08
Treasury bills and other eligible bills	1,507.77	20,004.49
Current account	2,282.88	4,334.51
Deposits from banks and other financial institutions	8,649.16	4,521.62
Loans	28,151.41	66,315.00
Other	1,218.37	3,009.87
OPERATIONS WITH CUSTOMERS	621,818.63	633,795.28
Public administration	3,103.64	3,322.99
Current account	2,620.11	3,079.00
Demand deposits	0	0
Time deposits	354.71	187.71
Loans	128.81	56.27
Other	0	0
Private sector	618,714.99	630,472.30
Current account	119,549.02	116,855.73
Demand deposits	41,635.48	36,194.02
Time deposits	445,740.13	466,844.96
Other	11,328.57	10,014.26
Certificate of deposits	461.79	563.34
SECURITIES TRANSACTIONS	0.00	0.00
Debts represented by securities	0	0
Securities purchased and sold under REPO	0	0
Collateral on securities transactions	0	0
Premiums on financial instruments	0	0
OTHER LIABILITIES	7,726.31	9,477.77
Other liabilities	2,919.62	3,085.99
Agent transactions	406.36	623.90
Inter-office accounts	2,148.60	338.31
Suspense, difference and position accounts	2,251.73	5,397.69
Difference accounts	2,218.02	4,740.08
Position accounts	33.71	657.61
Value added tax = (form. 21) 46	0.01	31.88
PERMANENT RESOURCES	62,170.15	80,400.32
Grants and public financing	0	26.29
Discretionary provisions	3,668.86	5,259.71
Provisions for risk and expenses	3,512.73	4,906.34
Discretionary provisions	156.13	353.38
Subordinated debt	2,465.46	3,642.20
Shareholders' equity	56,035.83	71,472.12
Paid in capital	41,135.43	51,112.73
Share premiums	1,401.09	3,704.58
Reserves	4,192.33	4,872.35
Revaluation difference	(5,088.09)	(3,807.64)
Retained earnings (loss)	4,417.26	8,254.43
Current year profit (loss)	9,977.80	7,335.69
ACCRUED INTERESTS	8,463.29	11,706.33
Accrued interest (Class 1)	132.21	233.76
Accrued interest (Class 2)	8,294.89	11,348.56
Accrued interest (Class 3) = (form 21) 339 + 3429	0	0
Accrued interest (Class 5)	36.19	124.01
Total liabilities in foreign currency	348,539.04	404,852.02
Total liabilities of non-residents	45,375.26	83,958.44



## ANNEX 4. BANKS' SHAREHOLDERS (AS OF DECEMBER 2008)

No.	Banks	Shareholders	Share in equity	Ownership	Capital origin	Home country
1	Raiffeisen Bank	Raiffeisen International Bank-Holding AG	100.0	Private	Foreign	Austria
2	National Commercial Bank	Calik Seker Konsorsiyum Yatirim A.S.	60.0	Private	Foreign	Turkey
		European Bank for Reconstruction and Development (EBRD)	20.0	Private	Foreign	International Institution
		IFC	20.0	Private	Foreign	International Institution
3	United Bank of Albania	Ministry of Finances (Republic of Albania)*	40.0	State-owned	Domestic	Albania
		Shamil Bank of Bahrein	20.0	Private	Foreign	Arabia
		IDB Jeddah	15.0	Private	Foreign	International Institution
		Malaysian Co Business Fokus	6.3	Private	Foreign	Malaysia
		Dallah Albaraka Holding	10.0	Private	Foreign	Arabia
		7 individuals	8.7	Private	Foreign	
4	Tirana Bank	Piraeus Bank	90.7	Private	Foreign	Greece
		Dafnila SA	1.3	Private	Foreign	
		5 Individuals	8.0	Private	Foreign	
5	Branch of National Bank of Greece, Tirana	National Bank of Greece	100.0	Private	Foreign	Greece
6	Alfa Bank - Albania	Alpha Bank, Greece	100.0	Private	Foreign	Greece
7	Italian Development Bank	Veneto Banca Holding S.c.p.A.	100	Private	Foreign	Italy
8	ProCredit Bank	ProCredit Holding	80.0	Private	Foreign	Germany
		Commerzbank AG	20.0	Private	Foreign	
9	International Commercial Bank	ICB Holding AG	100.0	Private	Foreign	Switzerland (Malaysia)
10	Emporiki Bank - Albania	Emporiki Bank of Greece	100.0	Private	Foreign	Greece
11	Credit Bank of Albania	3 individuals	100	Private	Foreign	Kuwait
12	Credins Bank	10 Individuals	65.8	Private	Domestic	Albania Spain
		BUSHATI limited	4.7	Private	Domestic	
		EMIGRES SL	4.2	Private	Foreign	
		BFSE Holding BV	22.2	Private	Foreign	Holland
		SECO ( SIFEM)	3.2	Private – State-owned	Foreign	Switzerland
13	Popular Bank	SOCIÉTÉ GÉNÉRALE	75.0	Private	Foreign	France
		9 individuals	25.0	Private	Domestic	Albania
14	Union Bank	Financial Union of Tirana	83.13	Private	Domestic	Albania
		European Bank for Reconstruction and development (EBRD)	12.5	Private	Foreign	International Institution
		2 individuals	4.37	Private	Domestic	Albania
15	First Investment Bank Albania	First Investment Bank, Bulgaria	99.9998	Private	Foreign	Bulgaria
		Vitoshka Ventures AD	0.0001	Private	Foreign	Bulgaria
		First Financial Brokerage House Ltd	0.0001	Private	Foreign	Bulgaria
16	Intesa Sanpaolo Bank Albania	Intesa Sanpaolo S.p.A (ISP)	78.5	Private	Foreign	Italy
		Albanian-American Enterprise Fund	12.2	Private	Foreign	USA government
		European Bank for Reconstruction and Development (EBRD)	7.8	Private	Foreign	International Institution
		SIMEST S.p.A. (Societa Italiana per le Imprese all' Estero)	1.5	Private	Foreign	Italy

\*Under the process of approval of transfer of the Ministry of Finance's shares to Islamic Development Bank (IDB), Jeddah, International Institution.

Source: Bank of Albania, Supervision Department, December 2008

## ANNEX 5. GEOGRAPHIC DISTRIBUTION OF BANKING AGENCIES AND BRANCHES WITHIN THE TERRITORY OF THE REPUBLIC OF ALBANIA AS AT END 2008 BY PREFECTURES

No.	Prefectures	TOTAL
1	Tiranë	208
2	Durrës	46
3	Fier	43
4	Elbasan	28
5	Korçë	37
6	Shkodër	23
7	Vlorë	38
8	Lezhë	26
9	Berat	21
10	Gjirokastrë	25
11	Kukës	8
12	Dibër	8
	TOTAL	511

## ANNEX 6. LIST OF BANKING SUPERVISION REGULATIONS AND GUIDELINES IN FORCE (AS OF DECEMBER 2008)

1- Regulation "On the size and fulfilment of minimum initial capital for the permitted activities of licensed banks and branches of foreign banks", approved by the Supervisory Council Decision No. 51, dated 22.04.1999

2- Methodical Guideline "On foreign exchange risks", dated 26.06.1999

3- Regulation "On open foreign currency positions", approved by the Supervisory Council Decision No. 59, dated 05.05.1999, amended by the Supervisory Council Decision No. 118, dated 01.12.1999

4- Guideline "On interest rate risk management", approved by the Supervisory Council Decision No.61, dated 05.07.2000

5- Regulation "On bank's investments in the equity of commercial companies", approved by the Supervisory Council Decision No.42, dated 06.06.2001

6- Guideline "On certificates of deposits", approved by the Supervisory Council Decision No. 79, dated 03.10.2001

7- Regulation "On market risks", approved by the Supervisory Council Decision No. 72, dated 02.06.1999, amended by the Supervisory Council Decision No. 98, dated 19.12.2001.

8- Guideline "On banks' conservatorship and receivership", approved by the Supervisory Council Decision No.45, dated 12.06.2002

9- The Supervisory Council's Decision No. 58, dated 24.07.2002, on approving to add the "banking activity related to gold and precious metals" to the permitted banking activities

10- Guideline "On banks' liquidity", approved by the Supervisory Council Decision No.04, dated 19.01.2000, amended by the Supervisory Council Decision No. 08, dated 12.02.2003

11- Regulation "On licensing the savings and loan associations" approved by the Supervisory Council Decision No.11, dated 27.02.2002 and amended by decision No. 09, dated 12.02.2003

12- Guideline "On reporting the foreign exchange operations", approved by the Supervisory Council Decision. 69, dated 30.07.2003

13- Regulation "On foreign exchange operations" approved by the Supervisory Council Decision No. 64, dated 30.07.2003, amended by the Supervisory Council Decision No.101, dated 10.12.2003

14- Regulation "On authorized chartered auditors of banks", approved by the Supervisory Council Decision No. 06, dated 29.01.2003, amended by the Supervisory Council Decision No.102, dated 10.12.2003

15- Regulation "On money laundering prevention" approved by the Supervisory Council Decision No.10, dated 25.02.2004

16- Regulation "On supervising electronic banking transactions" approved by the Supervisory Council Decision No.28, dated 30.03.2005.

17- Regulation "On prudential rates of non-bank financial institutions" approved by the Supervisory Council Decision No. 60, of 05.07.2000 and amended by the Supervisory Council Decisions No.31, of 27.04.2005

18- "The reporting system of non-bank financial entities" approved by the Supervisory Council Decision No. 32, dated 27.04.2005

19- "The reporting system of savings and loan associations" approved by the Supervisory Council Decision No. 44, dated 08.06.2005.

20 - Regulation "On consolidated supervision of banks", approved by the Supervisory Council Decision No. 68, dated 28.07.2005.

21- Regulation "On licensing the non-bank financial institutions", approved by the Supervisory Council Decision No. 96, dated 26.11.2003, amended with the decision No. 88, of 16.11.2005.

22- Regulation "On the use of communication and information technology at entities licensed by the Bank of Albania" approved by the Supervisory Council Decision No.32, dated 03.05.2006

23- Guideline "On regulatory capital", approved by the Supervisory Council Decision No. 57 of 05.05.1999, and amended by the Supervisory Council decision No. 21, dated 24.03.2004, No. 45, dated 08.06.2005 and No. 70, dated 12.09.2006

24- Regulation "On supervising the savings and loans associations", approved by the Supervisory Council Decision No.43, dated 08.06.2005 and amended by decision No. 68, dated 13.09.2006

25-. Regulation "On administrators of banks and branches of foreign banks" approved by the Supervisory Council Decision No. 120, dated 30.12.2003, amended with the decision No. 69, dated 13.09.2006.

26- Regulation "On granting a licence to conduct banking business in the Republic of Albania" approved by the Supervisory Council Decision No.71, dated 11.09.2002, amended by the decision No. 03 of 26.01.2005 and decision No. 80, dated 25.10.2006

27- Unified reporting system on branches of foreign banks, approved by the Supervisory Council Decision No. 58, dated 15.10.2007.

28- Regulation "On licensing, organization and supervision of foreign exchange bureaus", approved by the Supervisory Council Decision No. 31, dated 06.06.2007, amended by the decision No. 73, dated 27.11.2007

29- Regulation "On internal audit system at banks and branches of foreign banks", approved by the Supervisory Council Decision No. 24, dated 26.03.2008.

30 - Regulation "On transparency about banking and financial services and products", approved by the Supervisory Council Decision No. 59, dated 29.08.2008.

31 - Regulation "On minimum requirements for information disclosure from banks and branches of foreign banks" approved by the Supervisory Council Decision No. 60, dated 29.08.2005

32- Regulation "On credit risk management", approved by the Supervisory Council Decision No.52, dated 14.07.2004, amended by the Supervisory Council Decision No. 101, dated 27.12.2006, amended by decision No. 101, dated 27.12.2006, amended by decision amended by decision No. 31, dated 30.04.2008, amended by decision No. 59 and No. 61, dated 29.08.2008

33- Regulation "On operational risk management at branches of foreign banks" approved by the Supervisory Council Decision No 57, dated 15.10.2007 and amended by decision No. 62, dated 29.08.2008

34- Regulation "On reporting the capital adequacy ratio", approved by the Supervisory Council Decision No. 58 dated 05.05.1999 and amended by the Supervisory Council Decisions No.86, dated 07.11.2001; No.72, dated 11.09.2002; No. 30, dated 16.04.2003; No. 82, dated 08.10.2003; No. 22, dated 24.03.2004; No. 46, dated 08.06.2005, no. 7, dated 31.01.07and decision No. 63, dated 29.08.2008

35- Regulation "On risk management arising from large exposure of banks" approved by the Supervisory Council Decision No.31, dated 30.04.2008, amended by decision No. 72, dated 07.10.2008

36- Regulation "On minimum technical and security conditions of work premises at the entities licensed by the Bank of Albania" approved by the Supervisory Council Decision No. 91, dated 24.12.2008.

37- "Methodology of reporting and content of financial reports" approved by Supervisory Council decision No.95, dated 24.12.2008.

## ANNEX 7. BANKS AND BRANCHES OF FOREIGN BANKS LICENSED BY THE BANK OF ALBANIA (AS OF DECEMBER 2008)

### 1. RAIFFEISEN BANK JNT.STK.

Licence No.2/1998, dated 11.01.1999

Approved with the Bank of Albania Supervisory Council Decision, No. 163, dated 11.12.1998

Certificate No. 2 "On Deposit insurance"

Director: Oliver WHITTLE

Address: Bulevardi "Barjram Curri", European Trade Center, Tiranë

Tel: +355 4 2274 910

Fax: +355 4 2275 599

E-mail: [info@raiffeisen.al](mailto:info@raiffeisen.al)

Website: [www.raiffeisen.al](http://www.raiffeisen.al)

### 2. UNITED BANK OF ALBANIA JNT.STK.

Licence No.3/1998, dated 11.01.1999

Approved with the Bank of Albania Supervisory Council Decision, No. 165, dated 11.12.1998

Certificate No. 3 "On Deposit insurance"

Director: Abdul Waheed ALAVI

Address: Bulevardi "Dëshmorët e Kombit", No.8, Tirana, Albania

Tel: +355 4 2228 460 / 2223 873 / 2227 408

Fax: +355 4 2228 460 / 2228 387

### 3. ITALIAN DEVELOPMENT BANK JNT.STK.

Licence No.5/1998, dated 11.01.1999

Approved with the Bank of Albania Supervisory Council Decision, No. 164, dated 11.12.1998

Certificate No. 4 "On Deposit insurance".

Director: Libero CATALANO

Address: Bulevardi "Deshmorët e Kombit", Ndërtesa Kullat Binjake, Tiranë

Tel : +355 4 2280 555

Fax: +355 4 2280 356

E-mail: [info@bisbanca.com](mailto:info@bisbanca.com)

Website: [www.bisbanca.com](http://www.bisbanca.com)

### 4. NATIONAL COMMERCIAL BANK JNT.STK.

Licence No.6/1998, dated 11.01.1999

Approved with the Bank of Albania Supervisory Council Decision, No.162, dated 11.01.1999

Certificate No. 5 "On Deposit insurance"

Director: Seyhan PENCAPLIGIL

Address: Bulevardi "Zhan D'Ark", Tirana, Albania.

Tel: +355 4 2250 955

Fax: +355 4 2250 956

E-mail: [info@bkt.com.al](mailto:info@bkt.com.al)

Website: [www.bkt.com.al](http://www.bkt.com.al)

### 5. TIRANA BANK JNT.STK.

Licence No.7, dated 12.09.1996

Approved with the Bank of Albania Supervisory Council Decision, No.9, dated 12.09.1996

Certificate No. 6 "On Deposit insurance"

Director: Bedri ÇOLLAKU

Address: Rruga "Dëshmorët e 4 Shkurtit", PO BOX 2400/1, Tiranë.  
 Tel: +355 4 2269 616 / 7 / 8, +355 4 2233 441 / 42 / 43 / 44 / 45 / 46 / 47  
 Fax: +355 4 2233 417 / 2369 707  
 E-mail: info@tiranabank.al  
 Website: www.tiranabank.al

#### 6. BRANCH OF NATIONAL BANK OF GREECE - TIRANA

Licence No.8, dated 25.11.1996

Approved with the Bank of Albania Supervisory Council Decision, No.4, dated 14.03.1996.

Certificate No. 7 "On Deposit insurance"

Director: Ioannis LEIVADITIS  
 Address: Rruga e Durrësit, Godina "Comfort", Tirana, Albania.  
 Tel: 2274 802, 274 822  
 Fax: 2233 613  
 E-mail: nbgalbania@icc-al.org

#### 7. INTERNATIONAL COMMERCIAL BANK JNT.STK.

Licence No.09, dated 20.02.1997

Approved with the Bank of Albania Supervisory Council Decision, No.9, dated 30.04.1996

Certificate No. 8 "On Deposit insurance"

Director: Mahendra Sing RAWAT  
 Address: Qendra e Biznesit, Rruga "Murat Toptani", Tirana, Albania.  
 Tel: +355 4 2254 372 / 2256 254  
 Tel/Fax: +355 4 2254 368  
 E-mail: info@icbank-albania.com

#### 8. ALPHA BANK - ALBANIA

Licence No.10, dated 07.01.1998

Approved with the Bank of Albania Supervisory Council Decision, No.01/03/96, dated 27.12.1997

Certificate No. 9 "On Deposit insurance"

Director: Andreas GALATOULAS  
 Address: Bulevardi "Zogu I", No.47, Tirana, Albania.  
 Tel: +355 4 2233 359 / 2240 476 / 2240 477  
 Tel/Fax: +355 4 2232 102  
 E-mail: tiranabranh@alpha.gr

#### 9. INTESA SANPAOLO BANK ALBANIA SH.A.

Licence No.11, dated 10.08.1998

Approved with the Bank of Albania Supervisory Council Decision, No. 105, dated 10.08.1998

Certificate No. 10 "On Deposit insurance"

Director: Lorenzo RONCARI  
 Address: Rruga "Ismail Qemali" No.27, P.O. Box 8319, Tirana.  
 Tel: +355 4 2248 753 / 4 / 5 / 6, +355 4 2276 000  
 Fax: +355 4248 762  
 E-mail: helpdesk@intesasanpaolobank.al  
 Website: www.intesasanpaolobank.al

#### 10. PROCREDIT BANK JNT.STK.

Licence No.12, dated 15.03.1999

Approved with the Bank of Albania Supervisory Council Decision, No.22, dated 03.03.1999

Certificate No. 11 "On Deposit insurance"

Director: Borislav KOSTADINOV  
 Address: Rruga "Sami Frashëri", Tirana e Re, P.O. Box. 2395, Tirana, Albania  
 Tel: + 355 4 2271 272 / 3 / 4 / 5  
 Fax: + 355 4 2271 276  
 E-mail: info@procreditbank.com.al  
 Website: www.procreditbank.com.al

11. EMPORIKI BANK - ALBANIA JNT.STK.

Licence No. 14, dated 28.10.1999

Approved with the Bank of Albania Supervisory Council Decision, No.105, dated 19.10.1999

Certificate No. 13 "On Deposit insurance"

Director: George CARACOSTAS  
 Address: Rruga e Kavajës, No. 59, "Tirana Tower", Tirana, Albania  
 Tel: +355 4 2258 755 / 56 / 57 / 58 / 59 / 60  
 Fax: +355 4 2258 752  
 E-mail: headoffice@emporiki.com.al

12. CREDIT BANK OF ALBANIA JNT.STK.

Licence No. 15, dated 28.08.2002

Approved with the Bank of Albania Supervisory Council Decision, No.66, dated 28.08.2002

Certificate No. 14 "On Deposit insurance"

Director: Kamal Abdel MONEIM  
 Address: Rruga "Perlat Rexhepi", Al-Kharafi Group Administration Building, Kati 1&2, Tirana, Albania.  
 Tel: +355 4 2272 168, +355 4 2272 162  
 Fax: +355 4 2272 162  
 E-mail: creditbkalb@icc-al.org

13. CREDINS BANK JNT.STK.

Licence No. 16, dated 31.03.2003

Approved with the Bank of Albania Supervisory Council Decision, No.22, dated 26.03.2003 Certificate No. 15 "On Deposit insurance"

Director: Artan SANTO  
 Address: Rruga "Ismail Qemali", No.21, Tirana, Albania.  
 Tel: +355 4 2234 096  
 Fax: +355 4 2222 916  
 E-mail: info@bankacredins.com  
 Website: www.bankacredins.com

14. POPULAR BANK JNT.STK.

Licence No.17, dated 16.02.2004

Approved with the Bank of Albania Supervisory Council Decision, No. 06, dated 11.02.2004 Certificate No. 16 "On Deposit insurance"

Director: Henri Maus de Rolley  
 Address: Bulevardi "Dëshmorët e Kombit", Twin Towers, Kulla 1, Kati 9, Tirana, Albania.  
 Tel: +355 4 2280 442 / 3  
 Fax: +355 4 2280 441  
 Cel: 068 (69) 20 60 974  
 E-mail: bp.info@socgen.com  
 Website: www.bpopullore.com

15. UNION BANK JNT.STK.

Licence No.18, date 09.01.2006

Approved with the Bank of Albania Supervisory Council Decision, No. 101, dated



28.12.2005

Certificate No. 17 "On Deposit insurance"

Director: Gazmend KADRIU

Address: Bulevardi "Zogu I", pallati 13 katësh, përballë stacionit të trenit

Tel.: +355 4 2250 653 / 2258 081

Fax.: +355 4 2272 880

E-mail: info@unionbank.com.al

Website: www.unionbank.com.al

16. FIRST INVESTMENT BANK, ALBANIA JNT.STK.

Licence No. 19, dated 06.07.2007.

Approved with the Bank of Albania Supervisory Council Decision, No.35, dated 27.06.2007

Certificate No. 12 "On Deposit insurance"

Director: Bozhidar TODOROV

Address: Bulevardi "Dëshmorët e Kombit", Kullat Binjake, Kulla 2, Kati 14, Tirana

Tel.: +355 4 2276 702 / 3

Fax.: +355 4 2280 210

Website: www.fibank.al

## BANKS AND BRANCHES OF FOREIGN BANKS WHOSE LICENCE HAS BEEN REVOKED BY THE BANK OF ALBANIA

ITALIAN ALBANIAN BANK, JNT.STK.

Licence No. 1/1996, dated 17.07.1998

Licence revoked by the Bank of Albania's Supervisory Council No. 22, dated 12.03.2008

"On revoking the licence of the Italian Albanian Bank, Jnt. Stk."

BRANCH OF FIRST INVESTMENT BANK, TIRANA

Licence No. 13, dated 16.04.1999.

Licence revoked by the Bank of Albania's Supervisory Council No. 28, dated 09.04.2008

2008 "On revoking the licence of the Branch of First Investment Bank, Tiranë".

## ANNEX 8. NON-BANK FINANCIAL INSTITUTIONS (AS OF DECEMBER 2008)

### 1. FINANCIAL UNION OF TIRANA LTD

Licence No.1, dated 08.12.1999, for conducting the following financial activities:

- Providing payment and receivable services;
- Intermediary services in the conduct of monetary transactions;
- Acting as a financial agent or advisor.

Director: Elton Çollaku

Address: Bulevardi "Zogu I", pallati EDICOM, përballë Stacionit të Trenit, Tiranë.

Tel.: +355 4 2250 653

Fax.: +355 4 2250 654

E-mail: [correspondence@unionifinanciar.com](mailto:correspondence@unionifinanciar.com)

Website: [www.unionifinanciar.com](http://www.unionifinanciar.com)

### 2. ALBANIAN POST-OFFICE JNT.STK.

Licence No.3, dated 18.04.2001, as a "Non-bank financial institution" for conducting the following financial activities:

- Providing payment and receivable services;
- Acting as a financial agent or advisor.

Director: Arqile Goreja

Address: Rruga "Reshit Çollaku", No.4, Tirana, Albania.

Tel.: ++ 355 4 22 58 828

Fax.: ++ 355 4 22 59 770

E-mail: [albapost@icc-al.org](mailto:albapost@icc-al.org)

Website: [www.postashqiptare.al](http://www.postashqiptare.al)

### 3. "CREDINS" JNT.STK.

Licence No. 04, dated 13.06.2001, as a "Non-bank financial institution" for conducting the following financial activities:

- Extending loans;
- Providing payment and receivable services;
- Intermediary services in the conduct of monetary transactions (foreign currency included);
- Offering guarantees;
- Acting as a financial agent or advisor (excluded herein the services set forth in points 3/a and 3/b of Article 26 of the Law "On Banks in the Republic of Albania", No. 8365, dated 02.07.1998

Director: Elion Martini

Address: Rruga "Deshmorët e 4 Shkurtit", Tirana, Albania.

Tel.: +355 4 234096

Fax.: +355 4 222916

E-mail: [info@credins.com](mailto:info@credins.com)

Website: [www.credins.com](http://www.credins.com)

### 4. "MOUNTAIN AREAS FINANCE FUND"

Licence No.5, dated 29.03.2002, as a "Non-bank financial institution" for conducting the following financial activities:

- Extending loans

Founded by the Decision of the Council of Ministers of the Republic of Albania

Director: Bajram Korsita

Address: Rruga "Dervish Hima", No. 4, Tiranë.

Tel: +355 4 2226 027

Tel/Fax: +355 4 2224 638

E-mail: [ffzm@icc-al.org](mailto:ffzm@icc-al.org)

Website: [www.ffzm.org](http://www.ffzm.org)

## 5. "AK – INVEST" JNT.STK.

Licence No.7, dated 03.12.2003, as a "Non-bank financial institution" for conducting the following financial activities:

- Providing payment and receivable services;
- Intermediary services in the conduct of monetary transactions (foreign currency included);
- Acting as a financial agent or advisor.

Director: Ilir Adili

Address: Rruga "Ded Gjon Luli", No.2/3, Tirana, Albania.

Tel.: +355 4 2240 147

Fax.: +355 4 2274 743

E-mail: remil@icc-al.org

Website: www.ak-invest.net

## 6. OPPORTUNITY ALBANIA SH.A.

Licence No.9, dated 06.06.2007 as a "Non-bank financial institution" for conducting the following financial activities:

- Extending loans;
- Providing payment and receivable services;
- Accepting and managing payment instruments;
- Foreign exchanges for its account;
- Offering guarantees.

Director: Robert Hart

Address: Rruga "Gjin Bue Shpata", No. 7/1, Tiranë.

Tel: +355 4 2246 267

Fax: +355 4 2246 268

E-mail: pshm@pshm.icc-al.org

## 7. BESA FUND JNT.STK.

Licence No. 10, dated 26.12.2008 as a "Non-bank financial institution" for conducting the following financial activities:

- All types of lending, including consumer and mortgage loans;
- Offering guarantees.
- Advisory, intermediary and other auxiliary services related to the above-listed activities;

Director: Bajram Muça

Address: Rruga "Brigada VIII", pallati 5, pranë ish-bllokut, Tiranë.

Tel: +355 4 2253 841 / 2, 2252 913

Fax: +355 4 2253 836

E-mail: mfi@besa.org.al

Website: www.fondibesa.com

## ANNEX 9. UNIONS OF SAVINGS AND LOAN ASSOCIATIONS

### 1. "JEHONA" SAVINGS AND LOAN ASSOCIATIONS UNION, TIRANË

Licence: No.1, dated 27.06.2002.

Address: Rruga "Kajo Karafili", No.26/1, Tiranë

Chairman of the Board of Directors: Vojsava Rama.

Executive Director: Elvana Sharkaj

Tel.: +355 4 2224 469 / 2269 450

### 2. "ALBANIAN SAVINGS AND LOAN UNION" SAVINGS AND LOAN ASSOCIATIONS UNION, TIRANË

Licence: No.2, dated 09.08.2002.

Address: "Zayed Business Center", rruga "Sulejman Delvina", Tirana e Re, Tiranë.

Chairman of the Board of Directors: Mrs. Zana Konini

Executive Director: Mrs. Zana Konini

Tel. +355 4 2251 910

E-mail: ascunion@icc-al.org

## SAVINGS AND LOAN ASSOCIATIONS

1. "MËSUESI" SAVINGS AND LOAN ASSOCIATION, TIRANË  
Licence No. 1, dated 01.07.2002  
Member of "JEHONA" SLA Union
2. "RIZGJIMI" SAVINGS AND LOAN ASSOCIATION, TIRANË  
Licence No. 2, dated 01.07.2002  
Member of "JEHONA" SLA Union
3. "AFADA " SAVINGS AND LOAN ASSOCIATION, TIRANË  
Licence No. 3, dated 01.07.2002  
Member of "JEHONA" SLA Union
4. "BLETËRRITËSIT " SAVINGS AND LOAN ASSOCIATION, KORÇË  
Licence No 5, dated 01.07.2002  
Member of "JEHONA" SLA Union
5. "BREGAS " SAVINGS AND LOAN ASSOCIATION, KORÇË  
Licence No. 6, dated 01.07.2002  
Member of "JEHONA" SLA Union
6. "FITORJA" SAVINGS AND LOAN ASSOCIATION, PRRENJAS  
Licence No. 12, dated 01.07.2002  
Member of "JEHONA" SLA Union
7. "GRAMSHI" SAVINGS AND LOAN ASSOCIATION, LUSHNJE  
Licence No. 13, dated 01.07.2002  
Member of "JEHONA" SLA Union
8. "HABA" SAVINGS AND LOAN ASSOCIATION, TIRANË  
Licence No. 14, dated 01.07.2002  
Member of "JEHONA" SLA Union
9. "KANDAVIA" SAVINGS AND LOAN ASSOCIATION, LIBRAZH  
Licence No. 15, dated 01.07.2002  
Member of "Jehona" SLA Union
10. "KORÇARJA" SAVINGS AND LOAN ASSOCIATION, KORÇË  
Licence No. 17, dated 01.07.2002  
Member of "Jehona" SLA Union
11. "KRUJA" SAVINGS AND LOAN ASSOCIATION, KRUIJË  
Licence No. 18, dated 01.07.2002  
Member of "Jehona" SLA Union
12. "METAJ" SAVINGS AND LOAN ASSOCIATION, FIER  
Licence No. 20, dated 01.07.2002  
Member of "Jehona" SLA Union
13. "ORIK" SAVINGS AND LOAN ASSOCIATION, VLORË  
Licence No. 21, dated 01.07.2002  
Member of "Jehona" SLA Union
14. "PIRG" SAVINGS AND LOAN ASSOCIATION, KORÇË  
Licence No. 22, dated 01.07.2002

Member of "Jehona" SLA Union

15. "RINGJALLJA" SAVINGS AND LOAN ASSOCIATION, VLORE  
Licence No. 24, dated 01.07.2002  
Member of "Jehona" SLA Union

16. "SHËNDETI" SAVINGS AND LOAN ASSOCIATION, TIRANË  
Licence No. 25, dated 01.07.2002  
Member of "Jehona" SLA Union

17. "SHKËNDIJA" SAVINGS AND LOAN ASSOCIATION, ELBASAN  
Licence No. 26, dated 01.07.2002  
Member of "Jehona" SLA Union

18. "STROPSKA" SAVINGS AND LOAN ASSOCIATION, POGRADEC  
Licence No. 29, dated 01.07.2002  
Member of "Jehona" SLA Union

19. "SYNEI" SAVINGS AND LOAN ASSOCIATION, KAVAJË  
Licence No. 30, dated 01.07.2002  
Member of "Jehona" SLA Union

20. "TEUTA" SAVINGS AND LOAN ASSOCIATION, DURRËS  
Licence No. 31, dated 01.07.2002  
Member of "Jehona" SLA Union

21. "URA E KUÇIT" SAVINGS AND LOAN ASSOCIATION, BERAT  
Licence No. 32, dated 01.07.2002  
Member of "Jehona" SLA Union

22. "VOLOREKA" SAVINGS AND LOAN ASSOCIATION, POGRADEC  
Licence No. 33, dated 01.07.2002  
Member of "Jehona" SLA Union

23. "YLLI I KUQ" SAVINGS AND LOAN ASSOCIATION, KORÇË  
Licence No. 34, dated 01.07.2002  
Member of "Jehona" SLA Union

24. "VELÇE" SAVINGS AND LOAN ASSOCIATION, VLORE  
Licence No. 36, dated 29.08.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union

25. "KALLM" SAVINGS AND LOAN ASSOCIATION, FIER  
Licence No. 37, dated 29.08.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union

26. "MOLLAS" SAVINGS AND LOAN ASSOCIATION, ELBASAN  
Licence No. 40, dated 29.08.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union

27. "GJINAR" SAVINGS AND LOAN ASSOCIATION, ELBASAN  
Licence No. 42, dated 05.09.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union

28. "KUQAN" SAVINGS AND LOAN ASSOCIATION, ELBASAN  
Licence No. 45, dated 05.09.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union

29. "SHUSHICË" SAVINGS AND LOAN ASSOCIATION, ELBASAN  
Licence No. 46, dated 05.09.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union
30. "BESTROVË" SAVINGS AND LOAN ASSOCIATION, ELBASAN  
Licence No. 49, dated 05.09.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union
31. "SHALËS" SAVINGS AND LOAN ASSOCIATION, ELBASAN  
Licence No. 51, dated 05.09.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union
32. "OSHËTIMË" SAVINGS AND LOAN ASSOCIATION, VLORE,  
Licence No. 52 dated 23.09.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union
33. "BABICË E VOGËL" SAVINGS AND LOAN ASSOCIATION, VLORE,  
Licence No. 53 dated 23.09.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union
34. "NOVOSELË" SAVINGS AND LOAN ASSOCIATION, VLORE,  
Licence No. 54, dated 23.09.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union
35. "ROMANAT" SAVINGS AND LOAN ASSOCIATION, DURRËS  
Licence No. 55, dated 23.09.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union
36. "JUBE" SAVINGS AND LOAN ASSOCIATION, DURRËS  
Licence No. 56, dated 23.09.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union
37. "ARDENICË" SAVINGS AND LOAN ASSOCIATION, LUSHNJE  
Licence No. 58, dated 23.09.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union
38. "VAJKAN" SAVINGS AND LOAN ASSOCIATION, FIER  
Licence No. 54, dated 23.09.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union
39. "LLAKATUND" SAVINGS AND LOAN ASSOCIATION, VLORE  
Licence No. 60, dated 23.09.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union
40. "GRABIAN" SAVINGS AND LOAN ASSOCIATION, VLORE  
Licence No. 61, dated 23.09.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union
41. "MAZREK" SAVINGS AND LOAN ASSOCIATION, TIRANË  
Licence No. 62, dated 23.09.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union
42. "MUSTAFA KOÇAJ" SAVINGS AND LOAN ASSOCIATION, TIRANË  
Licence No. 63, dated 23.09.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union
43. "SHPAT ISUF MUÇAJ" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 64, dated 23.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

44. "PINAR" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 65, dated 23.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

45. "FUSHAS MUMAJËS" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 66, dated 23.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

46. "QEHA" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 67, dated 23.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

47. "DOBRESH" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 68, dated 23.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

48. "INIBA" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 71, dated 25.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

49. "FUSHË-PREZË" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 72, dated 25.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

50. "MËNIK" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 73, dated 25.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

51. "MULLET" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 74, dated 25.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

52. "ZALL-HERR" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 75, dated 25.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

53. "BARËZEZ" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 76, dated 25.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

54. "DAIAS" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 77, dated 25.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

55. "PETRELË" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 78, dated 25.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

56. "MANGULL" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 79, dated 25.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

57. "PINET" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 80, dated 25.09.2002



Member of "Unioni shqiptar i kursim-kreditit" SLA Union

58. "BERZHITË" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 81, dated 25.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

59. "MARIKAJ" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 82, dated 25.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

60. "ALLGJATË" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 83, dated 25.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

61. "BUBULLIMË" SAVINGS AND LOAN ASSOCIATION, LUSHNJE

Licence No. 85, dated 25.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

62. "GORRE" SAVINGS AND LOAN ASSOCIATION, LUSHNJE

Licence No. 87, dated 25.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

63. "DRITHAS" SAVINGS AND LOAN ASSOCIATION, VLORE,

Licence No. 88, dated 25.09.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

64. "PALASË" SAVINGS AND LOAN ASSOCIATION, VLORE

Licence No. 89, dated 07.10.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

65. "MAMINAS" SAVINGS AND LOAN ASSOCIATION, DURRËS

Licence No. 90, dated 07.10.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

66. "PANAJA" SAVINGS AND LOAN ASSOCIATION, VLORE

Licence No. 92, dated 07.10.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union.

67. "HOLTA" SAVINGS AND LOAN ASSOCIATION, GRAMSH

Licence No. 93, dated 07.10.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

68. "GJERGJAN" SAVINGS AND LOAN ASSOCIATION, ELBASAN

Licence No. 94, dated 07.10.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

69. "GRAMSH" SAVINGS AND LOAN ASSOCIATION, GRAMSH

Licence No. 96, dated 07.10.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

70. "SHPRESA" SAVINGS AND LOAN ASSOCIATION, GRAMSH

Licence No. 97, dated 10.10.2002

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

71 "FIER 2002" SAVINGS AND LOAN ASSOCIATION, FIER

Licence No. 98, dated 28.10.2002

Member of "Jehona" SLA Union.

72. "BUCIMAS" SAVINGS AND LOAN ASSOCIATION, POGRADEC  
Licence No. 99, dated 28.10.2002  
Member of "Jehona" SLA Union.

73. "LESHNICË" SAVINGS AND LOAN ASSOCIATION, POGRADEC  
Licence No. 100, dated 28.10.2002  
Member of "Jehona" SLA Union.

74. "TREGAN" SAVINGS AND LOAN ASSOCIATION, ELBASAN  
Licence No. 101, dated 27.11.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union

75. "BELËSH" SAVINGS AND LOAN ASSOCIATION, ELBASAN  
Licence No. 102, dated 27.11.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union

76. "LUZI I MADH" SAVINGS AND LOAN ASSOCIATION, KAVAJË  
Licence No. 103, dated 27.11.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union

77. "BAGO" SAVINGS AND LOAN ASSOCIATION, KAVAJË  
Licence No. 104, dated 27.11.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union

78. "RADË" SAVINGS AND LOAN ASSOCIATION, DURRËS  
Licence No. 105, dated 05.12.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union

79. "HAMALLAJ" SAVINGS AND LOAN ASSOCIATION, DURRËS  
Licence No. 106, dated 05.12.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union

80. "TIRANA KREDIT" SAVINGS AND LOAN ASSOCIATION, TIRANË  
Licence No. 107, dated 05.12.2002  
Member of "Jehona" SLA Union.

81. "FIER SEMAN" SAVINGS AND LOAN ASSOCIATION, LUSHNJE  
Licence No. 111, dated 24.12.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union

82. "FRAKULL E MADHE" SAVINGS AND LOAN ASSOCIATION, FIER  
Licence No. 112, dated 24.12.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union

83. "DAULLAS" SAVINGS AND LOAN ASSOCIATION, FIER  
Licence No. 113, dated 24.12.2002  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union

84. "KALLM I VOGËL" SAVINGS AND LOAN ASSOCIATION, FIER  
Licence No. 114, dated 10.01.2003  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union

85. "LEKAJ" SAVINGS AND LOAN ASSOCIATION, KAVAJË  
Licence No. 115, dated 10.01.2003  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union

86. "ALLKAJ" SAVINGS AND LOAN ASSOCIATION, LUSHNJE

Licence No. 116, dated 10.01.2003

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

87. "KAFARAJ" SAVINGS AND LOAN ASSOCIATION, FIER

Licence No. 118, dated 19.02.2003

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

88. "GOSË" SAVINGS AND LOAN ASSOCIATION, KAVAJË

Licence No. 120, dated 23.06.2003

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

89. "HIMARË" SAVINGS AND LOAN ASSOCIATION, VLORË

Licence No. 122, dated 23.06.2003

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

90. "KOTE" SAVINGS AND LOAN ASSOCIATION, VLORË

Licence No. 123, dated 23.06.2003

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

91. "ARMEN" SAVINGS AND LOAN ASSOCIATION, VLORË

Licence No. 124, dated 23.06.2003

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

92. "PERLAT" SAVINGS AND LOAN ASSOCIATION, DURRËS

Licence No. 125, dated 15.07.2003

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

93. "REMAS" SAVINGS AND LOAN ASSOCIATION, LUSHNJË

Licence No. 126, dated 16.07.2003

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

94. "MIZË" SAVINGS AND LOAN ASSOCIATION, LUSHNJË

Licence No. 127, dated 04.08.2003

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

95. "DUKAT-RADHIMË" SAVINGS AND LOAN ASSOCIATION, VLORË

Licence No. 128, dated 03.11.2003

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

96. "MJELMA-HUDENISHT" SAVINGS AND LOAN ASSOCIATION, POGRADEC

Licence No. 129, dated 03.11.2003

Member of "Jehona" SLA Union.

97. "GJEÇ KODËR" SAVINGS AND LOAN ASSOCIATION, TIRANË

Licence No. 130, dated 26.11.2003

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

98. "MËRTISH" SAVINGS AND LOAN ASSOCIATION, LUSHNJË

Licence No. 131, dated 26.11.2003

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

99. "MASHAN" SAVINGS AND LOAN ASSOCIATION, GRAMSH

Licence No. 132, dated 26.11.2003

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

100. "PAPËR" SAVINGS AND LOAN ASSOCIATION, ELBASAN

Licence No. 133, dated 26.11.2003

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

101. "KUKUR" SAVINGS AND LOAN ASSOCIATION, GRAMSH  
Licence No. 134, dated 07.01.2004

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

102. "BLETA" SAVINGS AND LOAN ASSOCIATION, POGRADEC  
Licence No. 135, dated 03.03.2004

Member of "Jehona" SLA Union.

103. "VAQARR" SAVINGS AND LOAN ASSOCIATION, TIRANË  
Licence No. 136, dated 01.04.2004

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

104. "GRACEN" SAVINGS AND LOAN ASSOCIATION, ELBASAN  
Licence No. 137, dated 23.06.2004

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

105. "SKENDERBEGAS" SAVINGS AND LOAN ASSOCIATION, GRAMSH  
Licence No. 138, dated 23.06.2004

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

106. "DARZEË" SAVINGS AND LOAN ASSOCIATION, FIER  
Licence No. 139, dated 12.07.2004

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

107. "SPILLE" SAVINGS AND LOAN ASSOCIATION, KAVAJË  
Licence No. 140, dated 12.07.2004

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

108. "GOSTIMË" SAVINGS AND LOAN ASSOCIATION, ELBASAN  
Licence No. 141, dated 12.07.2004

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

109. "JADORA" SAVINGS AND LOAN ASSOCIATION, SHKODËR  
Licence No. 143, dated 17.11.2004

Member of "Jehona" SLA Union

110. "QARR - BISHAN" SAVINGS AND LOAN ASSOCIATION, FIER  
Licence No. 145, dated 28.04.2005

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

111. "KRUTJE" SAVINGS AND LOAN ASSOCIATION, LUSHNJE  
Licence No. 146, dated 29.07.2005

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

112. "TIRONA" SAVINGS AND LOAN ASSOCIATION, TIRANË  
Licence No. 147, dated 05.12.2005

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

113. "SHKAFANE" SAVINGS AND LOAN ASSOCIATION, DURRËS  
Licence No. 148, dated 16.01.2006

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

114. "LIBRAZH D" SAVINGS AND LOAN ASSOCIATION, LIBRAZH D  
Licence No. 149, dated 10.11.2006

Member of "Unioni shqiptar i kursim-kreditit" SLA Union

115. "HELMAS" SAVINGS AND LOAN ASSOCIATION, KAVAJË  
Licence No. 150, dated 22.11.2006  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union
116. "LUKOVË" SAVINGS AND LOAN ASSOCIATION, VLORE  
Licence No. 151, dated 14.12.2006  
Member of "Unioni shqiptar i kursim-kreditit" SLA Union
117. "ÇERMË" SAVINGS AND LOAN ASSOCIATION, LUSHNJE  
Licence No. 152, dated 12.01.2007  
Member of "UNIONI SHQIPTAR I KURSIM-KREDITIT" SLA Union
118. "ELBASAN" SAVINGS AND LOAN ASSOCIATION, ELBASAN  
Licence No. 153, dated 18.04.2007  
Member of "UNIONI SHQIPTAR I KURSIM-KREDITIT" SLA Union
119. "DYRRAH" SAVINGS AND LOAN ASSOCIATION, DURRËS  
Licence No. 154, dated 27.04.2007.  
Member of "UNIONI SHQIPTAR I KURSIM-KREDITIT" SLA Union
120. "SEMAN" SAVINGS AND LOAN ASSOCIATION, FIER  
Licence No. 155, dated 21.05.2007  
Member of "UNIONI SHQIPTAR I KURSIM-KREDITIT" SLA Union
121. "PAJOVA E RE" SAVINGS AND LOAN ASSOCIATION, ELBASAN  
Licence No. 156, dated 05.12.2007  
Member of "UNIONI SHQIPTAR I KURSIM-KREDITIT" SLA Union
122. "MALI I BARDHË" SAVINGS AND LOAN ASSOCIATION, BERAT  
Licence No. 157, dated 17.12.2007  
Member of "UNIONI SHQIPTAR I KURSIM-KREDITIT" SLA Union
123. "BASHKËSIA" SAVINGS AND LOAN ASSOCIATION, DURRËS  
Licence No. 158, dated 17.12.2007.  
Member of "UNIONI SHQIPTAR I KURSIM-KREDITIT" SLA Union
124. "DRINI 2 SAVINGS AND LOAN ASSOCIATION", SHKODËR  
Licence No.: 159, dated 28.01.2008  
Member of "UNIONI SHQIPTAR I KURSIM-KREDITIT" SLA UNION
125. "NIKELI" SAVINGS AND LOAN ASSOCIATION, ELBASAN  
Licence No.: 160, dated 28.01.2008  
Member of "UNIONI SHQIPTAR I KURSIM-KREDITIT" SLA UNION
126. "URA E MESIT" SAVINGS AND LOAN ASSOCIATION, SHKODËR  
Licence No.: 161, dated 28.01.2008  
Member of "UNIONI SHQIPTAR I KURSIM-KREDITIT" SLA UNION
127. "DARCI" SAVINGS AND LOAN ASSOCIATION, KAVAJË  
Licence No.: 162, dated 12.02.2008  
Member of "UNIONI SHQIPTAR I KURSIM-KREDITIT" SLA UNION
128. "S.V.A.-08" SAVINGS AND LOAN ASSOCIATION, FIER  
Licence No.: 163, dated 16.10.2008  
Member of "UNIONI SHQIPTAR I KURSIM-KREDITIT" SLA UNION
129. "DARSIA" SAVINGS AND LOAN ASSOCIATION, PEQIN

Licence No.: 164, dated 18.11.2008  
Member of "UIONI SHQIPTAR I KURSIM-KREDITIT" SLA UNION

130. "GURI I MIRË" SAVINGS AND LOAN ASSOCIATION, KUÇOVË  
Licence No.: 165, dated 20.11.2008  
Member of "UIONI SHQIPTAR I KURSIM-KREDITIT" SLA UNION

131. "ITEA A.E.F." SAVINGS AND LOAN ASSOCIATION, FIER  
Licence No.: 166, dated 22.12.2008  
Member of "UIONI SHQIPTAR I KURSIM-KREDITIT" SLA UNION

132. "TARABOSHI AM" SAVINGS AND LOAN ASSOCIATION, SHKODËR.  
Licence No.: 167, dated 24.12.2008  
Member of "UIONI SHQIPTAR I KURSIM-KREDITIT" SLA UNION

## ANNEX 10. FOREIGN EXCHANGE BUREAUS (AS OF DECEMBER 2008)

## 1. "JOARD" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 1, dated 01.10.1999.  
 Address: Rruga "Ded Gjon Luli", No.2, Tiranë.  
 Cambists: Josif Kote, Pajtim Kodra  
 Tel.: 04 2233158

## 2. "AMA" LTD., FOREIGN EXCHANGE BUREAU, DURRËS

Licence: No. 2, dated 01.10.1999.  
 Address: Lagjja No. 9, rruga "Aleksandër Goga", pallati No. 530 ( pranë Muzeut të Dëshmorëve), Durrës.  
 Cambists: Mirlinda Ceka, Idlir Hoxha  
 Tel.: 225 183, 228 088, 220 340  
 Cel.: 068 20 33 030 (Idlir)  
 Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 4515/1, dated 17.06.2008

## 3. "ARIS" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 3, dated 01.10.1999.  
 Address: Rruga "Luigj Gurakuqi", Tiranë.  
 Cambists: Ardian Goci, Ismet Noka  
 Tel.: 04 2248 867 / 2235 075  
 Cel.: 0682026839 (Ardian Goci)

## 4. "UNIONI FINANCIAR TIRANË" L.T.D

Licence: No. 4, dated 01.10.1999.  
 Address: Rruga "Muhamet Gjollështa", pallati 67, shkalla 8, kati i parë, apartamenti 57, Tiranë.  
 Executive Director: Elton ÇOLLAKU  
 Cambist: Mimoza Lushnjaku  
 Tel: 04 2256 982

## 5. "AGLI" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 5, dated 01.10.1999.  
 Address: Office 1: Rruga "Islam Alla", No.1, Tiranë.  
 Office 2: Rruga "Kavajës", pranë ish-pastiçeri Rinia, Tiranë.  
 Cambists: Agim CANI, Kujtim NINA, Selim LULI  
 Tel.: 04 2255 517

## 6. "EXCHANGE" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 08, dated 24.11.1999.  
 Address: Rruga "Durrësit", No. 170, Tiranë.  
 Cambists: Ivan Pavlovski, Ervis Myftari  
 Tel.: 04 2238 344  
 Tel/Fax: 04 2238 345

## 7. "UNISIX" LTD., FOREIGN EXCHANGE BUREAU, KORÇË

Licence: No. 09, dated 26.11.1999.  
 Address: Bulevardi "Republika", Pallati 4, Korçë.  
 Cambist: Eli Bode  
 Tel.: 08 254925, 0824 3624  
 Cel.: 0692085635

Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 6036/1, dated 29.08.2008

8. "ILIRIA '98" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 12, dated 25.02.2000

Address: Office 1: Sheshi "Austria", pranë Teatrit të Kukullave, Tiranë.  
Office 2: Rruga "Dëshmorët e 4 Shkurtit", pranë KESH, Tiranë.  
Office 3: Parku "Rinia", Kompleksi Tajvan, Tiranë.

Cambists: Edmond Ymeri, Ali Topalli, Ilir Janku, Bujar Fekollari, Edvina Janku, Alfred Topalli

Tel.: 04 2248 821

E – mail: iliria98@yahoo.com

9. "SERXHIO" LTD., FOREIGN EXCHANGE BUREAU, ELBASAN

Licence: No. 14, dated 07.04.2000.

Address: Lagjja "Luigj Gurakuqi", rruga "11 Nëntori", pallati 70, No. 14, Elbasan.

Cambist: Amarildo Canoku

Tel.: 05454566.

10. "ALBTUR" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 15, dated 07.04.2000.

Address: Bulevardi "Zogu I", pallati 32, shkalla1 (përballë Bankës Tirana), Tiranë.

Cambists: Albert Rahmani, Artur Rahmani

Tel./Fax 04 2235 820

11. "R & M" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 16, dated 22.05.2000.

Address: Rruga "Punëtorët e Rilindjes", pallati 182, Tiranë.

Cambists: Edmond Stepa, Miranda Stepa

Tel.: 04 2251 963

12. "T & E" LTD., FOREIGN EXCHANGE BUREAU, DURRËS

Licence: No. 18, dated 11.06.2000.

Address: Lagjja 4, rruga "9 Maji", Durrës.

Cambist: Shpëtim Hysa

13. "SHIJAK 2000" LTD., FOREIGN EXCHANGE BUREAU, SHIJAK

Licence No. 19, dated 24.11.2000.

Address: Lagjja "Popullorë", Shijak, Durrës.

Cambists: Nazmi Ademi, Farije Ademi

Tel.: 05713076, 05713200

Fax: 05712193

Cel.: 0682057505

Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No.. 4017/2, dated 18.08.2008

14. "MANUSHI" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 22, dated 18.04.2001.

Address: Bulevardi "Zogu I", Qendra e Biznesit "VEVE", Tiranë

Cambist: Roland Manushi

Tel.: 04 2228 986 / 2253052

Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No..



5458/1, dated 15.07.2008

15. "UNIONI SELVIA" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 23, dated 21.05.2001  
 Address: Rruga "Sami Frashëri", pallati 11, shkalla 4, apartamenti 29, Tiranë.  
 Cambist: Denis Merepeza (Cambist and manager)  
 Cel.: 068 22 86 475

16. "KALENJA" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 24, dated 29.06.2001  
 Address: Rruga "Kavajës" (pranë ish-Ambasadës Turke), Tiranë  
 Cambists: Hair Shametaj, Rudina Shametaj

17. "TILBA" LTD., FOREIGN EXCHANGE BUREAU, ELBASAN

Licence: No. 25, dated 30.09.2001  
 Address: Office 1: Lagjja "Kongresi i Elbasanit", bulevardi "Qemal Stafa", pallati No. 19, Elbasan  
 Cambist: Kristaq Bako  
 Address: Office 2: Lagjja "Luigj Gurakuqi", pallati 38, shkalla 3, kati I, Elbasan  
 Cambist: Vjollca Bako  
 Tel.: 054 40534  
 Cel.: 069 20 83 135

18. "ANAGNOSTI" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 26, dated 31.10.2001  
 Address: Bulevardi "Zogu I", pallati 97, shkalla 3, apartamenti 28, Tiranë.  
 Cambists: Jani Anagnosti, Odise Anagnosti, Edlira Anagnosti  
 Cel.: 0692090523 (Jani Anagnosti)

19. "KO-GO" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 27, dated 12.11.2001  
 Address: Rruga "Vaso Pasha", pallati 16, shkalla 2, apartamenti 9, Tiranë  
 Cambists: Mihal KONOMI, Përparim GOXHAJ  
 Cel.: 0682024230

20. "ALB- FOREX" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 28, dated 22.11.2001  
 Address: Office 1: Rruga "Dëshmorët e 4 Shkurtit", pallatet "Shallvare", shkalla 7, kati përdhe, Tiranë.  
 Cambists: Melsi Çami, Mirel Topçiu  
 Address: Office 2: Rruga "Abdyl Frashëri", No. 3, Tiranë  
 Cambist: Arbëror Agastra  
 Tel.: 04 2270 541  
 Cel.: 069 20 85 561

21. "L&N" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 29, dated 22.11.2001  
 Address: Office 1: Rruga "Muhamet Gjollështa", ish-gjellëtorja tek sheshi ATATURK, Tiranë.  
 Cambist: Leonora Mihalcka  
 Tel.: 268 393, 270 720  
 Address: Office 2: Rruga "Durrësit", përballë ish-Ambasadës Jugosllave, Tiranë  
 Cambists: Myzafer Velaj, Dashurije Rumbullaku  
 Tel.: 04 2235 590  
 Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 4861/1, dated 18.06.2008

## 22. "EXCHANGE ALOG" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 31, dated 22.11.2001  
 Address: Rruga "Mine Peza" (përballë selisë së Ambasadës së Vatikanit), Tiranë  
 Cambists: Almida Sterio, Eduard Andoni, Elida Hasamemi  
 Tel.: 04 2236 582  
 Cel.: 068 20 22 334, 0682041200

## 23. "BASHKIMI 2001" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 35, dated 12.12.2001  
 Address: Rruga "Kavajës" (lokali ish-pastiçeri "Rinia"), Tiranë  
 Cambists: Bashkim Shametaj, Luan Shametaj, Ilir Mesini  
 Cel.: 0682024601

## 24. "ARJON 2002" LTD., FOREIGN EXCHANGE BUREAU, ELBASAN

Licence: No. 36, dated 14.12.2001  
 Address: Lagjja "Kongresi i Elbasanit", bulevardi "Qemal Stafa", pallati 9-katësh, Elbasan.  
 Cambists: Arben KOVAÇI, Besnik LULJA, Alfred Kapxhi  
 Tel.: 054 42 119, 054 578 27  
 Cel.: 068 40 14 110 (Arben Kovaçi)

## 25. "ALAKTH" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 42, dated 18.01.2002  
 Address: Rruga "Dibrës", No.105/1, Tiranë  
 Cambists: Kosta Papa, Arben Memko, Lorenc Konomi, Thoma Konomi, Aleko Plaku  
 Cel.: 0682026363

## 26. "TRI URAT" LTD., FOREIGN EXCHANGE BUREAU, ELBASAN

Licence: No. 44, dated 05.02.2002  
 Address: Lagjja "29 nëntori", pranë filialit të Postës Shqiptare, Elbasan.  
 Cambists: Ismail Bejtja, Lindita Kasa  
 Tel.: 05441792  
 Cel.: 0682262233, 0682133184

## 27. "BESA 2001" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 46, dated 15.02.2002  
 Address: Rruga "Myslym Shyri", No. 25, Tiranë.  
 Cambists: Belul Lleshi, Vladimir Avda, Mimoza Avda  
 Tel.: 04 2233 172  
 Cel.: 0682133879, 068 20 87 951

## 28. "HYSEN-C" LTD., FOREIGN EXCHANGE BUREAU, LAÇ

Licence: No. 50, dated 23.04.2002  
 Address: Lagjja No.3, përballë komisarariatit të policisë, Laç  
 Cambists: Cen Hyseni, Violeta Hyseni, Miranda Palaj, Jonida Thanasi, Elona Kuka  
 Cel.: 068 20 24 688 (Cen Hyseni)

## 29. "TAXI EKSPRES" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 52, dated 20.05.2002  
 Address: Office 1: Rruga "Sami Frashëri", No. 11 (pranë shkollës "Edit Durhan"), Tiranë  
 Address: Office 2: Bulevardi "Bajram Curri", rruga "Lekë Dukagjini", No. 5 (pranë European Trade Center), Tiranë  
 Cambists: Arben Sharra, Sokol Kaleci, Brikena Tole, Manjola Kume, Elona Office  
 Tel.: 04 2223 231  
 Cel.: 0682046099, 0682250566

## 30. "GLEAR" LTD., FOREIGN EXCHANGE BUREAU, SHIJAK

Licence: No. 55, dated 23.07.2002  
 Address: Lagjja Kodër Shijak, Durrës.  
 Cambists: Argjend Calliku, Afërdita Calliku  
 Tel.: 05712657  
 Cel.: 0682050515

## 31. "POSTA SHQIPTARE" SHA., TIRANË

Licence: No. 56, dated 28.08.2002  
 Address: Rruga "Reshit Çollaku", No. 4, Tiranë  
 Tel.: 04 2259 770 / 2266 559 / 2250 702 / 2222 315

## 32. "ESLULI" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 58, dated 17.10.2002  
 Address: Rruga "Reshit Çollaku", pallatet "Shallvare", shkalla n. 4/1, Tiranë  
 Cambist: Selim Luli, Kleomen Gjijnuri  
 Tel.: 04 2271 160 / 2271 438

## 33. "DENI&amp;KRISTI-2002" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 61, dated 02.06.2003  
 Address: Rruga "Myslym Shyri", pallati 60, apartamenti 3, Tiranë  
 Cambist: Maksim Çeku  
 Tel.: 04 2247 112  
 Cel.: 0682072108  
 Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 5115/1, dated 25.07.2008

## 34. "YLDON" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 62, dated 03.06.2003  
 Address: Office 1: Rruga "Qemal Stafa", pallati 382/2/2, Tiranë.  
 Address: Office 2: Bulevardi "Bajram Curri" (pranë European Trade Center), Tiranë  
 Office 3: Rruga "Frang Bardhi", Qendra Tregtare Kristal, Tiranë  
 Cambists: Ylli Ndroqi, Enkeleda Selamaj, Suela Marku, Etmond Mema, Manjola Osmanaj  
 Tel.: 04 2343 476, 04 2322 708 (ext. 199, office at Qendra Kristal)  
 Cel.: 0692095681

## 35. "I.S.N." LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 66, dated 06.05.2004  
 Address: Rruga "Kavajës", pallati 3, kati i parë, Tiranë  
 Cambists: Nexhmi Uka, Salandi Brojaj  
 Cel.: 069 20 32 727 (Salandi Brojaj)

## 36. "ARIABA" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 67, dated 07.06.2004  
 Address: Rruga "Abdyl Frashëri", kati i parë, shkalla 5, pranë Librit Universitar, Tiranë  
 Cambist: Flamur Denaj  
 Tel./Fax: 04 2246 199

## 37. "ALBACREDITS" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 68, dated 13.07.2004  
 Address: Rruga "Dedë Gjon Luli", No. 5, Tiranë.  
 Cambists: Ermira Skënderi, Engjëll Skënderi, Burhan Kodra, Fatbardha Skënderi (Preza), Bashkim Korça

Tel.: 04 2237 840  
 Cel.: 068 20 62 916 / 917

38. "ALB-KREDIT" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 69, dated 19.07.2004  
 Address: Office 1: Rruga "Durrësit", No. 2, Tiranë  
 Cambists: Arben Cani, Vasil Marto, Rudina Muskaj, Valbona Kadriu, Teuta Koltraka, Hajredin Toca, Doloreza Arapi  
 Tel./Fax: 04 2274 840, 04 228 928 / 9  
 Cel.: 0692095802  
 Address: Dega Peshkopi, bulevardi "Nazmi Rushiti", Peshkopi, Dibër  
 Cambist: Xhetan Krrashi  
 Address: Office 2: Kamëz, kryqëzimi i rrugës për në Zall Herr, Tiranë  
 Cambist: Ali Rasha

Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 693/1, dated 17.06.2008

39. "OMEGA" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 72, dated 20.12.2004  
 Address: Rruga "Abdyl Frashëri", pallati 1, shkalla 2, apartamenti 10, Tiranë  
 Cambists: Mihallaq Peko, Ylli Meshau  
 Tel./Fax: 04 2261 956  
 Cel.: 068 20 50 909

40. "ELBA 2005" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 73, dated 28.04.2005  
 Address: Bulevardi "Bajram Curri", pallatet "Agimi", No. 16, Tiranë  
 Cambists: Kujtim Elbasani  
 Tel/Fax: 04 2237 866 / 2274 382  
 Cel.: 068 22 06 194

41. "BASHA – N.B." LTD., FOREIGN EXCHANGE BUREAU, ELBASAN

Licence: No. 75, dated 08.07.2005  
 Address: Office 1: Lagjja "Shënkoll", rruga "Thoma Kaleshi", pallati 110, shk. 1, kati i parë, Elbasan  
 Address: Office 2: Lagjja "Kongresi i Elbasanit", bulevardi "Qemal Stafa", Elbasan  
 Cambists: Nashifer Basha, Çlirim Basha  
 Tel.: 054 425 65  
 Cel.: 069 20 77 640

42. "I & K 2005" LTD., FOREIGN EXCHANGE BUREAU, LEZHË

Licence: No. 77, dated 09.09.2005  
 Address: Lagjja "Besëlidhja", pallati 73, Lezhë  
 Cambist: Ilir Malaj

43. "EUROTOURS" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 78, dated 17.10.2005  
 Address: Rruga "Durrësit", pallati 7, Tiranë  
 Cambists: Albert Cara, Ilir Stafa, Dhimitër Papadhopulli  
 Tel.: 2273 389  
 Fax: 04 2273 387  
 Cel.: 0682053623 (Klarida Muhaj)

Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 1205/1, dated 29.09.2008.

## 44. "A.B.I. EXCHANGE" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 79, dated 17.02.2006  
 Address: Bulevardi "Zogu I", godina "Zëri i Popullit", Tiranë  
 Cambists: Ilir Doçi, Suela Dedaj  
 Cel.: 068 20 54 116

## 45. "REGENCY INTERNATIONAL CASINO TIRANA" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 80, dated 06.03.2006  
 Address: Rruga "Dëshmorët e 4 Shkurtit", Parku "Rinia", Tiranë  
 Tel.: 04 2271 190 / 2274 907 / 2274 742 / 2274 739  
 E-mail: rict@regencycasino.al

## 46. "ARBËR F" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 81, dated 07.03.2006  
 Address: Rruga "Kavajës", pallati 3, kati i parë, or ish-Gudeni, Tiranë  
 Cambists: Florina Jaho, Bukurosh Jaho  
 Tel.: 04 2248 384  
 Cel.: 068 22 18 652

## 47. "EURO 2006" LTD., FOREIGN EXCHANGE BUREAU, DURRËS

Licence: No. 82, dated 12.04.2006  
 Address: Lagjja No. 11, bulevardi kryesor, pranë Alb-Telekomit, Durrës  
 Cambists: Hysni Baganaçi, Medi Dyrmishi, Abdi Mane, Dine Malo  
 Tel.: 05 238 156 (Office)  
 Cel.: 068 26 18 699

## 48. "VOSKOP" LTD., FOREIGN EXCHANGE BUREAU, KORÇË

Licence: No. 83, dated 13.04.2006  
 Address: Lagjja No. 7, blloku "8 Nëntori", Korçë  
 Cambists: Anesti Leska, Rexhep Mankolli

## 49. "KRISTIAN 2002" LTD., FOREIGN EXCHANGE BUREAU, LEZHË

Licence: No. 84, dated 31.05.2006  
 Address: Lagjja "Besëlidhja", përballë degës së bankës Raiffeisen, Lezhë  
 Cambist: Sandër Marashi

## 50. "PRE-LAND" LTD., FOREIGN EXCHANGE BUREAU, LEZHË

Licence: No. 85, dated 31.05.2006  
 Address: Lagjja "Skënderbej", ish-lokali "Gjahtari", Lezhë  
 Cambist: Roland Kola

## 51. "SHQIPONJA VL" LTD., FOREIGN EXCHANGE BUREAU, VLORË

Licence: No. 86, dated 16.06.2006  
 Address: Pallati i kulturës "Labëria", përballë portit detar, Vlorë  
 Cambist: Vjollca Musaraj  
 Tel.: 03 324-642

## 52. "BONVOYAGE" LTD., FOREIGN EXCHANGE BUREAU, DURRËS

Licence: No. 87, dated 20.06.2006.  
 Address: Lagjja 11, bulevardi kryesor "Durrahu", apartamenti 243, Durrës.  
 Cambists: Petrit Shtaro, Rexhep Sulejmani  
 Tel.: 052 38 116, 052 37 389

## 53. "ANICHRI" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 88, dated 20.04.2007  
 Address: Rruga "Vaso Pasha", No. 10 (përballë bar "Rovena" (ish-Blloku),

- Tiranë  
Cambists: Ilir Gurashi, Lenije Murataj, Juliana Hajro  
Cel.: 0682072625 (Ilir Gurashi), 682082262
54. "BROQI" LTD., FOREIGN EXCHANGE BUREAU, TIRANË  
Licence: No. 89, dated 20.04.2007  
Address: Rruga "Kavajës", përballë kishës katolike, Tiranë.  
Cambists: Nikollë Broqi, Dhurata Murrizi  
Tel.: 04 2261 142  
Cel.: 0682026731
55. "KOMPLEKSI TURISTIK RABOSHTA" LTD., FOREIGN EXCHANGE BUREAU, SHKODËR  
Licence: No. 91, dated 26.06.2007  
Address: Lagjja "Vasil Shanto", përballë xhamisë, Shkodër  
Cambists: Përparim Raboshta, Jetmira Raboshta  
Cel.: 0692061199
56. "ÇELA 2005" LTD., FOREIGN EXCHANGE BUREAU, LUSHNJE  
Licence: No. 92, dated 26.06.2007.  
Address: Lagjja "Çlirim", Lushnje  
Cambists: Bledar Çela, Mondi Cejne  
Cel.: 0692066657, 0682012394
57. "ARTUR 07" LTD., FOREIGN EXCHANGE BUREAU, FIER  
Licence: No. 93, dated 26.06.2007  
Address: Rruga "Esat Dishnica", No. 9, Fier  
Cambist: Artur BEQO
58. "PACILI&GJIRITI" LTD., FOREIGN EXCHANGE BUREAU, KORÇË  
Licence: No. 94, dated 06.07.2007  
Address: Bulevardi "Edith Durham", pranë ish-hotel turizmit, Korçë  
Cambists: Dylber Gjiriti, Jorgaq Pacili  
Cel.: 069 21 70 171
59. "TROKA" LTD., FOREIGN EXCHANGE BUREAU, FIER  
Licence: No. 95, dated 16.07.2007  
Address: Lagjja "Apollonia", pallati i ri, përballë Raiffeisen Bank, Fier  
Cambist: Xhevair Troka  
Cel.: 068 20 35 413
60. "MEL – FAT" LTD., FOREIGN EXCHANGE BUREAU, FIER  
Licence: No. 96, dated 17.07.2007  
Address: Lagjja "Apollonia", rruga "Brigada XI Sulmuese", Fier  
Cambists: Meleq Myrtaj, Fatmir Ymeri  
Cel.: 068 23 07 507
61. "VËLLEZËRIT VALUTË" LTD., FOREIGN EXCHANGE BUREAU, LUSHNJE  
Licence: No. 97, dated 17.07.2007  
Address: Lagjja "Çlirim", rruga "Qemal Stafa", No. 5, Lushnje  
Cambists: Tomor Qorri, Fatmir Qorri  
Cel.: 069 20 65 595, 068 40 60 061  
Approved to conduct financial activity of money transfer agent for the account of "AK – INVEST" LTD., via official paper No. 650/1, dated 17.04.2008
62. "FYBEK" LTD., FOREIGN EXCHANGE BUREAU, FIER

Licence: No. 98, dated 17.07.2007  
 Address: Lagjja "8 shkurti", pallati 9, apartamenti 5, Fier  
 Cambists: Ilir Seitaj, Sokol Seitaj  
 Cel.: 0682068193

63. "EXCHANGE DEA" LTD., FOREIGN EXCHANGE BUREAU, FIER

Licence: No. 99, dated 17.07.2007  
 Address: Lagjja "Apolonia", sheshi "Fitorja", Fier  
 Cambists: Saimir Zeneli, Fatmir Kamberi, Fatmir Brahim  
 Cel.: 0692099425, 0682024127

64. "KAMZA UNION" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 100, dated 17.07.2007  
 Address: Kodër Kamëz, Tiranë  
 Cambists: Lindita Stafa, Anila Kola, Zef Gjoni  
 Tel.: 04 2200 569  
 Cel.: 0684043909

Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 4296/1, dated 18.06.2008

65. "LAPRAKA UNION" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 101, dated 17.07.2007  
 Address: Office 1: Rruga "Lord Bajron", Laprakë, Tiranë  
 Address: Office 2: Kamëz Qendër  
 Address: Office 3: Qendër Vorë, ish-mapot e vjetra  
 Address: Office 4: Fushë Krujë  
 Cambists: Rreshit Beja, Lulzim Beja, Hanke Beja, Hyre Beja  
 Tel.: 04 2269 354 / 2200 426, 600 477, 632 001  
 Cel.: 0692044312

Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 4332/1, dated 03.06.2008

66. "EXCHANGE BERTI 2007" LTD., FOREIGN EXCHANGE BUREAU, ELBASAN

Licence: No. 102, dated 24.07.2007  
 Address: Lagjja "Aqif Pasha", pallati 31, Elbasan  
 Cambist: Robert Tashkollari  
 Cel.: 0692111490

67. "ANSA UNION" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 103, dated 25.07.2007  
 Address: Rruga "Durrësit", pallati 81, shkalla 4, Tiranë  
 Cambists: Magdalena Leka, Gëzim Leka, Elda Dengeri, Blerina Pojani, Ylli Guda  
 Tel.: 04 2271 530 (tel-Fax), 04 2238 623  
 Cel.: 0682740073

Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 3816/1, dated 15.05.2008

68. "KLEO" LTD., FOREIGN EXCHANGE BUREAU, VLORE

Licence: No. 104, dated 31.07.2007  
 Address: Lagjja "Osman Haxhiu", rruga "Demokracia" (pranë Sahatit), Vlorë  
 Cambists: Murat Hysenaj, Gëzim Shehaj, Dhimitraq Tangu, Shezai Xhaferaj  
 Tel./Fax: 03 328 155  
 Cel.: 0692056558

## 69. "MOENA" LTD., FOREIGN EXCHANGE BUREAU, FIER

Licence: No. 105, dated 31.07.2007.  
 Address: Lagjja "29 Nëntori", rruga "Dervish Hekali", Fier  
 Cambists: Enver Lamaj, Namik Hasani, Mondi Likaj  
 Tel./Fax: 03 424 428  
 Cel.: 0684021577

## 70. "ZENO &amp; DHIMO" LTD., FOREIGN EXCHANGE BUREAU, FIER

Licence: No. 106, dated 31.07.2007  
 Address: Lagjja "Apollonia", rruga "Brigada II S" (pranë Bankës Raiffeisen), Fier  
 Cambists: Dhimitraq Doko, Zenun Gjini  
 Cel.: 0692070262, 0682151504

## 71. "BALLA CHANGE" LTD., FOREIGN EXCHANGE BUREAU, DURRËS

Licence: No. 107, dated 31.07.2007  
 Address: Rruga "Prokop Meksi", lagjja 4, Durrës  
 Cambists: Agron Balla, Artur Ballanca, Diana Balla, Agim Balla  
 Cel.: 0682060428

## 72. "ADKO" LTD., FOREIGN EXCHANGE BUREAU, LUSHNJË

Licence: No. 108, dated 31.07.2007  
 Address: Lagjja "Loni Dhamo", ish-hotel Myzeqeja, Lushnje.  
 Cambists: Adil Mukaj, Koli Sako  
 Tel.: 03 526 484  
 Cel.: 0684021108, 0682244795

## 73. "I.SULEJMANI &amp; SH.MYRTEZA" LTD., FOREIGN EXCHANGE BUREAU, FIER

Licence: No. 109, dated 31.07.2007.  
 Address: Lagjja "1 Maj", rruga "Jani Bakalli", Fier.  
 Cambists: Islam Sulejmani, Shkëlqim Myrteza  
 Cel.: 0683415790, 0692436588

## 74. "MATI UNION" LTD., FOREIGN EXCHANGE BUREAU, LAÇ

Licence: No. 110, dated 02.08.2007  
 Address: Bulevardi kryesor, Laç  
 Cambist: Mustafa Martinaj  
 Cel.: 0682037713

## 75. "A.K" LTD., FOREIGN EXCHANGE BUREAU, LEZHË

Licence: No. 111, dated 02.08.2007  
 Address: Lagjja "Besëlidhja", Lezhë  
 Cambist: Amerlon Reçi  
 Tel.: 0215 4951  
 Cel.: 0682023607

## 76. " UNION B" LTD., FOREIGN EXCHANGE BUREAU, BERAT

Licence: No. 112, dated 07.08.2007  
 Address: Lagjja "30 vjetori", Berat  
 Cambist: Sali Hoxha  
 Cel.: 0682074488  
 Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 8589, dated 30.10.2008

## 77. " KOÇIU" LTD., FOREIGN EXCHANGE BUREAU, GJIROKASTËR

Licence: No. 113, dated 03.09.2007  
 Address: Lagjja "18 Shtatori", Gjirokastër



Cambists: Lutmir Koçiu, Rebani Koçiu  
 Cel.: 069 20 90 935

78. "LANA" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 114, dated 04.09.2007

Address: Rruga "Irfan Tomini", pallati 8/1, shkalla 2, apartamenti 2 (pamja nga sheshi), Tiranë

Cambists: Krenar Alimerko, Nevila Shabanaj, Amarilda Liço

Tel.: 04 2269 613

Tel./Fax: 04 2244 278

Cel.: 069 20 33 512

Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 4009/1, dated 26.05.2008

79. "BESTINA" L.T.D URA VAJGURORE, BERAT

Licence: No. 115, dated 04.09.2007

Address: Lagjja "18 Nëntori" (pranë filialit të Postës Shqiptare), Ura Vajgurore, Berat

Cambists: Besim Guraj, Klementina Guraj

Tel.: 036 12717

Cel.: 068 20 86 105

80. "N&B UNION" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 116, dated 04.09.2007

Address: Rruga "Dibrës", pallati 507, Tiranë

Cambists: Nexhmi Ferhati, Shkëlqim Turku

Tel.: 04 2366 898

Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 6415/1, dated 05.09.2008.

81. "ARGI 07" LTD., FOREIGN EXCHANGE BUREAU, BERAT

Licence: No. 117, dated 04.09.2007

Address: Lagjja "22 Tetori", Berat.

Cambists: Arben Yzbashi, Albana Yzbashi

Tel.: 032 35746

Fax: 032 372888

Cel.: 069 20 82 803

82. "EKSPRES J&E" LTD., FOREIGN EXCHANGE BUREAU, DURRËS

Licence: No. 118, dated 05.09.2007

Address: Lagjja 11, bulevardi kryesor, hotel "Durrësi", Durrës

Cambists: Kostandin Ekonomi, Entela Ekonomi

Tel.: 05 229 626

Cel.: 068 20 46 103

83. "DODI" LTD., FOREIGN EXCHANGE BUREAU, FIER

Licence: No. 119, dated 05.09.2007

Address: Lagjja "Apollonia", bulevardi "Jakov Xoxa", Fier

Cambists: Artur Dodi, Albert Cucuri, Astrit Celaj

Tel.: 03 431 461

Cel.: 068 21 32 098

84. "G 24" LTD., FOREIGN EXCHANGE BUREAU, GJIROKASTËR

Licence: No. 120, dated 05.09.2007

Address: Lagjja "18 shtatori", Gjirokastër

Cambist: Artan Gjokaj  
 Tel.: 08 468 760  
 Cel.: 069 20 80 805

85. "EXCHANGE KIMI" LTD., FOREIGN EXCHANGE BUREAU, TIRANË  
 Licence: No. 123, dated 14.09.2007  
 Address: Rruga "Dëshmorët e 4 Shkurtit", pallati 3, dyqani No. 3, Tiranë.  
 Cambist: Shefqet Jata  
 Cel.: 069 20 60 325

86. "JAUPAJ" LTD., FOREIGN EXCHANGE BUREAU, FIER  
 Licence: No. 124, dated 26.09.2007  
 Address: Lagjja "29 Nëntori", rruga "Dervish Hekali" (pranë bar "Rinia", AVN TV), Fier  
 Cambists: Patriot Jaupaj, Miranda Jaupaj  
 Tel.: 034 3 15 03  
 Cel.: 069 24 73 555

87. "EXPRES CHANGE" LTD., FOREIGN EXCHANGE BUREAU, VLORË  
 Licence: No. 125, dated 26.09.2007  
 Address: Lagjja "28 Nëntori", rruga "Mulla Xhaferri", apartamenti 1111, Vlorë.  
 Cambists: Latif Breshani, Nexhmi Mustafaraj  
 Tel/Fax: 03327535  
 Cel.: 0682208961

88. "MILI 2007" LTD., FOREIGN EXCHANGE BUREAU, VLORË  
 Licence: No. 126, dated 26.09.2007  
 Address: Lagjja "Osman Haxhiu", rruga "Demokracia", apartamenti 537, Vlorë  
 Cambists: Ismail Shehu, Albert Malaj, Përparim Jaupaj  
 Tel.: 03330381  
 Cel.: 0692054414

89. "EURO 2007" LTD., FOREIGN EXCHANGE BUREAU, DURRËS  
 Licence: No. 127, dated 11.10.2007  
 Address: Lagjja No. 12, rruga "9 Maji", Durrës  
 Cambists: Raimond Çollaku, Yllka Lala, Arben Çuni, Ngushullim Hyzoti  
 Cel.: 0692042778

90. "XHO-2007" LTD., FOREIGN EXCHANGE BUREAU, TIRANË  
 Licence: No. 128 dated 29.10.2007  
 Address: Rruga "Kavajës", pallati 96, shkalla 2, apartamenti 16/1, Tiranë  
 Cambist: Arben Xhoxhi  
 Cel.: 0682136633, 0682040313

91. "PLANET- CHANGE" LTD., FOREIGN EXCHANGE BUREAU, TIRANË  
 Licence: No. 129, dated 31.10.2007  
 Address: Bulevardi "Bajram Curri", pallatet e aviacionit, Tiranë  
 Cambist: Llazar Nuzi  
 Cel.: 0692034178

92. "MARDEA" LTD., FOREIGN EXCHANGE BUREAU, ELBASAN  
 Licence: No. 130, dated 05.11.2007  
 Address: Komuna Mollas, fshati Mollas (pranë tregut fshatar), Elbasan.  
 Cambist: Bexhet Basha  
 Cel.: 068 26 51 144

93. "GOGA" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 131, dated 07.11.2007  
 Address: Bulevardi "Bajram Curri", pallatet "1 Maji", shkalla 8, apartamenti 8, Tiranë  
 Cambist: Florian Goga  
 Tel.: 04 2351 539  
 Cel.: 068 21 52 944

94. "MIKA" LTD., FOREIGN EXCHANGE BUREAU, TIRANË  
 Licence: No. 132, dated 12.11.2007  
 Address: Rruga "Myslym Shyri", No.120, rruga "Nikolla Lena", Tiranë  
 Cambists: Gjergji Ici, Maksi Ici  
 Cel.: 0682587113

95. "M & GR" LTD., FOREIGN EXCHANGE BUREAU, TIRANË  
 Licence: No. 133, dated 12.11.2007  
 Address: Bulevardi "Zogu I", pallati 654, shkalla 3, apartamenti 17, Tiranë  
 Cambists: Maksim Likaj, Akile Dhimitri  
 Cel.: 0682061465

96. "LULI -SH-1985" SH.P.K, VLORE  
 Licence: No. 134, dated 19.11.2007  
 Address: Lagjja "Hajro Cakëri", rruga "Sadik Zotaj" (pranë sheshit "Pavarësia"), Vlorë  
 Cambist: Fabjon Xhemali  
 Tel.: 03 331 682

97. "ALB - COMMERCE" LTD., FOREIGN EXCHANGE BUREAU, TIRANË  
 Licence: No. 135, dated 20.11.2007  
 Address: Rruga "Bardhyl", pallati 18, shkalla 4, apartamenti 2, Tiranë  
 Cambists: Jetnor Isufaj, Dashamir Bejaj  
 Cel.: 069 24 72 502, 069 22 88 012  
 Approved to conduct financial activity of money transfer agent for the account of "AK-INVEST" LTD., via official paper No. 4870/1, dated 04.07.2008

98. "ANDET 2005" LTD., FOREIGN EXCHANGE BUREAU, VLORE  
 Licence: No. 136, dated 26.11.2007  
 Address: Lagjja "Osman Haxhiu", rruga "Demokracia" (pranë Sahatit), Vlorë.  
 Cambists: Petrit Veliu, Lutfi Nuredini  
 Tel./Fax: 03 333 659  
 Cel.: 069 22 90 778

99. "GITA" LTD., FOREIGN EXCHANGE BUREAU, TIRANË  
 Licence: No. 137, dated 26.11.2007  
 Address: Rruga "Kavajës", pallati 138, shkalla 2, apartamenti 10 (kryqëzimi "21 dhjetori"), Tiranë  
 Cambists: Myftar Kaziaj, Gëzim Kaziaj  
 Tel./Fax: 04 2236 904  
 Cel.: 0682134076

100. "MIÇO-PALUKA" LTD., FOREIGN EXCHANGE BUREAU, TIRANË  
 Licence: No. 138, dated 26.11.2007  
 Address: Rruga "Dibrës", pallati 507, Tiranë  
 Cambist: Mikel Paluka  
 Cel.: 0682355526

101. "NIKOLARO" LTD., FOREIGN EXCHANGE BUREAU, ELBASAN

Licence: No. 139, dated 26.11.2007  
 Address: Rruga "Jorgji Dilo", lagjja 1, pallati 13, Cërrik, Elbasan.  
 Cambist: Sokol Dudija  
 Tel./Fax: 05 813 687  
 Cel.: 0682156030

102. "REDI-R" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 140, dated 27.11.2007  
 Address: Rruga "Avdyl Frashëri", pallati 11/1, shkalla 3, apartamenti 12, Tiranë  
 Cambist: Ylli Ramaj  
 Cel.: 0692020577  
 Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 4807/1, dated 17.06.2008

103. "ARBEL" LTD., FOREIGN EXCHANGE BUREAU, LEZHË

Licence: No. 141, dated 17.12.2007  
 Address: Rruga "Luigj Gurakuqi", Lezhë.  
 Cambists: Alma Marku, Andrea Marku  
 Tel.: 02 153 530  
 Cel.: 0682034981

104. "A & Q" LTD., FOREIGN EXCHANGE BUREAU, FIER

Licence: No. 142, dated 24.12.2007  
 Address: Lagjja "29 Nëntori", rruga "Kastriot Muço", pallati 8, Fier  
 Cambists: Arjan Çepele, Qemal Zylalaj, Novruz Zylalaj  
 Cel.: 0682151139 (A.Cepele)

105. "MERIDIANA TRAVEL TOUR" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 143, dated 24.12.2007  
 Address: Rruga "Dëshmorët e 4 Shkurtit", No. 7, Tiranë.  
 Cambists: Andi Alimehmeti, Edmond Konomi  
 Tel.: 04 2256 644  
 Cel.: 069 20 22 637

106. "ORGES-CHANGE" LTD., FOREIGN EXCHANGE BUREAU, DURRËS

Licence: No. 144, dated 27.12.2007  
 Address: Lagjja 12, rruga "9 Maji" (pas bustit të Azem Hajdarit), Durrës  
 Cambists: Skënder Trebeshina, Sokol Janina  
 Cel.: 0692135783, 0683565265

107. "B.LIKA" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 145, dated 31.12.2007  
 Address: Rruga "4 Shkurti", pallati No. 3, Tiranë.  
 Cambists: Bashkim Lika, Maklen Mici  
 Cel.: 069213322

108. "LI & CO" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 146, dated 03.01.2008  
 Address: Bulevardi "Bajram Curri", pallatet "Agimi", shkalla 8, apartamenti b, Tiranë  
 Cambists: Ligor Treni, Ferzilet Treni  
 Tel.: 04 2259 990  
 Cel.: 068 20 08 111  
 Approved to conduct financial activity of money transfer agent for the account of "AK - INVEST" LTD., via official paper No. 6959/1, dated 29.09.2008.

## 109. "BESLOR" LTD., FOREIGN EXCHANGE BUREAU, FIER

Licence: No. 147, dated 31.01.2008  
 Address: Lagjja "1 maji", rruga "Jani Bakalli", No. 15, Fier  
 Cambists: Lida Sinanaj, Perlat Sinanaj  
 Cel.: 069 22 11 217

## 110. "OLZE 07" LTD., FOREIGN EXCHANGE BUREAU, BERAT

Licence: No. 148, dated 12.02.2008  
 Address: Lagjja "22 tetori", Berat.  
 Cambist: Ramadan Qajalliu  
 Cel.: 068 20 57 330

## 111. "REDI 07" LTD., FOREIGN EXCHANGE BUREAU, BERAT

Licence: No. 149, dated 12.02.2008  
 Address: Lagjja "22 Tetori" (pranë degës së Bankës Raiffeisen), Berat  
 Cambists: Luan Kumani, Ervin Nallbani  
 Cel.: 068 22 01 367

## 112. "GREBIS" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 150, dated 22.02.2008  
 Address: Rruga "Muhamet Gjollështa", pallati 34, shkalla 3, apartamenti 18, Tiranë  
 Cambists: Saimir Hila, Lulëzim Lato  
 Tel.: 04 2241 921  
 Cel.: 069 21 22 950 (Saimir Hila)

## 113. "E.L.G.A" LTD., FOREIGN EXCHANGE BUREAU, VLORË

Licence: No.151, dated 26.02.2008  
 Address: Lagjja "28 nëntori", No. 1/27 N1N2, Vlorë  
 Cambist: Violeta Zere  
 Tel.: 0223 542  
 Cel.: 0692435603

## 114. "AES EXCHANGE" LTD., FOREIGN EXCHANGE BUREAU, GJIROKASTËR

Licence: No.152, dated 26.02.2008  
 Address: Lagjja "18 shtatori" (afër stadiumit), Gjirokastër.  
 Cambist: Metat Selimi  
 Cel.: 0692065855

## 115. "GREJSI" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No.153 dated 27.02.2008  
 Address: Rruga "Elbasanit", pallati 2, shkalla 2, apartamenti 32, Tiranë.  
 Cambist: Zhaneta Parapani  
 Cel.: 0692081127

## 116. "FOREXCHANGE" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 154, dated 27.02.2008  
 Address: Rruga "Vaso Pasha", pallati 14, shkalla 2, apartamenti 10, Tiranë  
 Cambist: Polimer Fejzaj  
 Tel.: 04 2273 114  
 Cel.: 068 22 01 853

## 117. "EGNATIA EXCHANGE" LTD., FOREIGN EXCHANGE BUREAU, DURRËS

Licence: No. 155, dated 17.03.2008  
 Address: Lagjja 4, rruga "Skënderbej", pallati 405, shkalla 7, kati I, Durrës.  
 Cambists: Myzejen Karabushi, Olta Musaraj  
 Tel.: 05 234 165

Fax: 05 234 179  
 Cel.: 0692048650, 0692297750

118. "DRINI CHANGE" LTD., FOREIGN EXCHANGE BUREAU, VLORE  
 Licence: No. 156, dated 17.03.2008  
 Address: Lagjja "28 nëntori", rruga "Anita Bitri" (përballë hotel "Sazaniit"), Vlorë  
 Cambists: Adrian Agaraj, Shkëlqim Duka  
 Tel.: 03 333 877  
 Cel.: 0682268209, 0682065801

119. "ALBIN HILUKU" LTD., FOREIGN EXCHANGE BUREAU, SHKODËR  
 Licence: No. 157, dated 17.03.2008  
 Address Office 1: Lagjja "Qemal Stafa", rruga "Zogu I", Shkodër  
 Office 2: Lagjja "Vasil Shanto", rruga "Muhamet Gjollështa", afër xhamisë në qendër, Shkodër  
 Cambists: Albin Hiluku, Nikolin Hiluku  
 Tel./Fax: 0224 3932  
 Cel.: 069 20 60324

120. "AURORA" LTD., FOREIGN EXCHANGE BUREAU, RROGOZHINË, KAVAJË  
 Licence: No. 158, dated 17.03.2008  
 Address: Lagjja No. 2, Rrogozhinë, Kavajë  
 Cambists: Hekuran Tosku, Arta Tosku  
 Tel.: 0577 2239  
 Tel./Fax: 0577 2739  
 Cel.: 069 20 99 938

121. "28 NËNTORI" LTD., FOREIGN EXCHANGE BUREAU, TIRANË  
 Licence: No. 159, dated 19.03.2008  
 Address: Rruga "28 nëntori", No. 18, Tiranë  
 Cambists: Heroina Saraçi, Vasil Sterjo  
 Tel.: 04 2363 981, 04 2239 279  
 Cel.: 0692766111

122. "RO – INVEST" LTD., FOREIGN EXCHANGE BUREAU, TIRANË  
 Licence: No. 160, dated 19.03.2008  
 Address: Bulevardi "Zogu I", pallati 97, apartamenti 27, Kati I, Tiranë.  
 Cambists: Edlira Suci, Elda Zogolli, Hekuran Brahja  
 Tel.: 04 2222 328

123. "PJETRI A & F" LTD., FOREIGN EXCHANGE BUREAU, FIER  
 Licence: No. 161, dated 27.03.2008  
 Address: Rruga "Konferenca e Pezës", rruga "Jakov Xoxa" (pallati te fotostudio Rinia), kati 1, Fier  
 Cambists: Arjan Pjetri, Frederik Pjetri  
 Tel. / Fax: 034 31 764  
 Cel.: 068 25 29 707

124. "ARDIVA – EXCHANGE" LTD., FOREIGN EXCHANGE BUREAU, TIRANË  
 Licence: No. 162, dated 07.04.2008  
 Address: Office 1: Rruga "Luigj Gurakuqi", Tiranë.  
 Address: Office 2: Rruga "Dervish Hima" (pranë stadiumit "Qemal Stafa"), Tiranë  
 Address: Office 3: Sheshi "Avni Rustemi", Tiranë  
 Address: Office 4: Instituti Kamëz, Tiranë  
 Cambists: Astrit Vata, Shpresa Prelaj, Rozeta Rapi, Luljeta Vata, Lavdije Gjoçi, Agron Shira, Jetmira Milushi

Tel.: 04 2249 730

Cel.: 0692046476

Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 838/1, dated 07.04.2008

125. "B - LILA" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 163, dated 09.04.2008

Address: Rruga "Dedë Gjon Luli" (ngjitur me Bankën Ndërkombëtare Tregtare), Tiranë

Cambist: Bledjan Lila

Tel./ Fax: 04 2278 167

Cel.: 069 22 42 736

126. "PATRIK" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 164, dated 14.04.2008

Address: Rruga "Sami Frashëri", shkalla 20, apartamenti 344 (pallatet "Agimi"), Tiranë

Cambists: Viktor Treni, Anjeza Shkoza

Tel./ Fax: 04 2228 166

Cel.: 0692091272

Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 2347/1, dated 14.04.2008

127. "MEÇE 2" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 165, dated 14.04.2008

Address: Rruga "Muhamet Gjollështa", pallati 6-katësh, kati 1, Tiranë

Cambist: Edmond Meçe

Tel./ Fax: 04 2235457

Cel.: 0684072198

Approved to conduct financial activity of money transfer agent for the account of "AK – INVEST" LTD., via official paper No. 2279, dated 14.04.2008

128. "S – DOKO" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 166, dated 18.04.2008

Address: Rruga "Qemal Stafa", tek Pazari i Ri, pranë tregut të biçikletave, Tiranë

Cambist: Sovjetik Doko

Tel./ Fax: 04 2268 762

Cel.: 0682323990

129. "BUXHA" LTD, FOREIGN EXCHANGE BUREAU, SHKODËR

Licence: No. 167, dated 22.04.2008

Address: Lagjja "Vasil Shanto", rruga "13 Dhjetori", Shkodër

Cambist: Petrit Buxha

Tel.: 02 249 057

Cel.: 0682043455

130. "KOFLOTEO" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 168, dated 30.04.2008

Address: Rruga "Sami Frashëri" (pranë pallateve "Agimi"), kulla 1 (8-katëshe), kati përdhes, Tiranë

Cambist: Kostandin Kotici

Tel.: 04 2263 592

Cel.: 068 20 45 031

## 131. "SA – EL.08" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 169, dated 08.05.2008  
 Address: Rruga "Mine Peza", No. 37, zona kadastrale No. 8350, Tiranë  
 Cambists: Gëzim Dushkaj, Fatmir Shametaj, Dhurata Dushkaj  
 Tel.: 04 2278 144  
 Cel.: 068 20 54 790 (Gëzim Dushkaj)

## 132. "LEON – TIRANA" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 170, dated 08.05.2008  
 Address: Rruga "Kavajës", në krah të farmacisë "Zoja e Këshillit të Mirë", No. 24, Tiranë  
 Cambists: Onaldo Ago, Astrit Ago  
 Tel.: 04 2222 6689

## 133. "ALBTURIST ALBANIA" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 171, dated 13.05.2008  
 Address: Rruga "Mine Peza", pallati 6-katësh, kati I, Tiranë  
 Cambists: Fuat Shahu, Shkëlqim Cuni  
 Tel.: 04 2271 143  
 Cel.: 0682059096

## 134. "REMIDA" LTD., FOREIGN EXCHANGE BUREAU, ELBASAN

Licence: No. 172, dated 14.05.2008  
 Address: Rruga "Thoma Kalefi", përballë Namazgjasë, Elbasan.  
 Cambist: Dashmir Vercani  
 Tel.: 054 241 285  
 Cel.: 0682181959

## 135. "XHULIO 2007" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 173, dated 19.05.2008  
 Address: Rruga "Dëshmorët e 4 Shkurtit", apartamenti 42, Tiranë  
 Cambists: Vladimir Shkurta, Kleomen Gjijnuri  
 Tel.: 04 2233 313  
 Cel.: 0682020144, 0682034829  
 Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 7921/1, dated 03.11.2008

## 136. "ELBASAN-FAJN" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 174, dated 22.05.2008  
 Address: Rruga "Reshit Collaku", No. 17, Tiranë  
 Cambists: Fahri Sanço, Nediko Sanço  
 Tel./Fax: 04 2271 485  
 Cel.: 0694033700, 0694033600

## 137. "TAKO" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 175, dated 26.05.2008  
 Address: Rruga "Gjin Bue Shpata", Tiranë.  
 Cambists: Vladimir Tako  
 Tel.: 04 2258 162  
 Cel.: 0682037604, 0683598153

## 138. "TOMI CHANGE" LTD., FOREIGN EXCHANGE BUREAU, VLORË

Licence: No. 176, dated 27.05.2008  
 Address: Lagjja "Osmen Haxhiu", rruga "Gjergj Kastrioti", pallati 537, kati 1, shk. 4, apartamenti #33, Vlorë  
 Cambist: Thoma Meçi



Tel./Fax: 033233904  
 Cel.: 0692410501

139. "B.T.G.O" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 177, dated 28.05.2008  
 Address: Rruga "Durrësit", pallati 240, shkalla 8, apartamenti 60, Tiranë.  
 Cambists: Bektash Laçi, Shkëlzen Ahmeti  
 Tel.: 04 2261 207

Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 3899/1, dated 29.05.2008

140. "BALLKAN 2008" LTD., FOREIGN EXCHANGE BUREAU, SHKODËR

Licence: No. 178, dated 28.05.2008  
 Address: Lagjja "Vasil Shanto", pranë Xhamisë së Madhe, Shkodër  
 Cambist: Ramadan Bashi  
 Tel.: 0224 6021  
 Fax: 0224 1796  
 Cel.: 069 20 85 331

141. "DALLANDYSHJA" LTD., FOREIGN EXCHANGE BUREAU, VLORË

Licence: No. 179, dated 28.05.2008  
 Address: Lagjja "Pavarësia", qendra tregtare "Riviera", Vlorë  
 Cambists: Dallandyshe Celaj, Yllka Arapi  
 Tel.: 033 225 947, 033 229 407  
 Cel.: 0692097666

Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 3186/1, dated 28.05.2008

142. "JON BLU" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 180, dated 29.05.2008  
 Address: Rruga "Mine Peza", pallati 210, shkalla 5, kati 1, apartamenti 34, Tiranë  
 Cambist: Ervin Hasanbelli  
 Tel.: 04 2266518  
 Cel.: 0692144686

143. "FLAGEM" LTD., FOREIGN EXCHANGE BUREAU, KUÇOVË

Licence: No. 181, dated 06.06.2008  
 Address: Lagjja "Llukan Prifti", Kuçovë  
 Cambist: Adriatik Avdyllaj  
 Tel. /Fax: 031125267  
 Cel.: 0692082805

Approved to conduct financial activity of money transfer agent for the account of "AK - INVEST" LTD., via official paper No. 3296/1, dated 09.06.2008

144. "SH.F.T – 08" LTD., FOREIGN EXCHANGE BUREAU, SHKODËR

Licence: No. 182, dated 06.06.2008  
 Address: Lagjja "Vasil Shanto", rruga "Vaso Kadia", pallati tek agjencia, Shkodër.  
 Cambists: Nderim Pufja, Albana Pufja  
 Tel./Fax: 0224 5932  
 Tel.: 0224 5098  
 Cel.: 0692061467

Approved to conduct financial activity of money transfer agent for the

account of "AK - INVEST" LTD., via official paper No. 3041/1, dated 09.06.2008

145. "MIÇANI CHANGE" LTD., FOREIGN EXCHANGE BUREAU, KORÇË

Licence: No. 183, dated 16.06.2008  
Address: Lagjja 7, rruga "Ismail Qemali", No. 2, Korçë  
Cambist: Jorgaq Micani  
Tel.: 08 244 330  
Cel.: 0692060685

146. "PAPI EXCHANGE" LTD., FOREIGN EXCHANGE BUREAU, KORÇË

Licence: No. 184, dated 16.06.2008  
Address: Lagjja 9, rruga "Mis Edit Durhan", Korçë  
Cambist: Përparim Rustemi  
Tel.: 08 243 011  
Cel.: 0684000825

147. "MUJAXHI" LTD., FOREIGN EXCHANGE BUREAU, SHKODËR

Licence: No. 185, dated 16.06.2008  
Address: Lagjja "Vasil Shanto", rruga "Park", blloku "Vaso Kadia", Shkodër  
Cambists: Ermir Mujaxhi, Luan Mujaxhi  
Tel.: 02246 762  
Cel.: 0692022070

148. "CANI 2005" LTD., FOREIGN EXCHANGE BUREAU, ELBASAN

Licence: No. 186, dated 16.06.2008  
Address: Lagjja "Shënkoll", Tregu industrial, Elbasan  
Cambists: Gani Cani, Riza Kotherja  
Tel.: 054 3330  
Cel.: 0682097135

149. "FASETO" LTD., FOREIGN EXCHANGE BUREAU, LIBRAZHID

Licence: No. 187, dated 16.06.2008  
Address: Lagjja 1, pallati 18, Librazhd.  
Cambist: Petrit Facja  
Tel.: 0514 3091  
Cel.: 0692182477

150. "MASUAL" LTD., FOREIGN EXCHANGE BUREAU, LIBRAZHID

Licence: No. 188, dated 16.06.2008  
Address: Lagjja 1, përballë filialit të Postës Shqiptare, Librazhd  
Cambist: Meleqe Alla  
Tel.: 05142 423  
Cel.: 0692987105

151. "RENJA EXCHANGE" LTD., FOREIGN EXCHANGE BUREAU, KORÇË

Licence: No. 189, dated 17.06.2008  
Address: Lagjja 9, rruga "Miss Edith Durham", pranë Ndërmarrjes së Ujësjellësit, Korçë  
Cambist: Bardhyl Renja  
Tel./Fax: 082248011  
Cel.: 0692075664

152. "N.A.E.L" LTD., FOREIGN EXCHANGE BUREAU, LEZHË

Licence: No. 190, dated 25.06.2008  
Address: Lagjja "Besëlidhja", rruga "Luigj Gurakuqi", ish-Banka Raiffeisen, Lezhë  
Cambist: Leonard Ndoka

Tel.: 021523566  
Cel.: 0682072392

153. "LADELI 2007" LTD., FOREIGN EXCHANGE BUREAU, POGRADEC

Licence: No. 191, dated 09.07.2008  
Address: Rruga "Spitalit", lagjja 5 (përballë poliklinikës së vjetër), Pogradec.  
Cambists: Lavdërim Miminllari, Eliverta Miminllari  
Tel.: 0832 6719  
Cel.: 0684061945

154. "LUKA – AGJENSI" LTD., FOREIGN EXCHANGE BUREAU, LEZHË

Licence: No. 192, dated 09.07.2008  
Address: Rruga "Luigj Gurakuqi", lagjja "Besëlidhja" (pranë ish-Bankës Raiffeisen), Lezhë  
Cambist: Nikoll Luka  
Tel.: 0215 22462  
Cel.: 0682296845

155. "ELIRIJANA" LTD., FOREIGN EXCHANGE BUREAU, KORÇË

Licence: No. 193, dated 10.07.2008  
Address: Rruga "Kiço Greco", agjencia e udhëtarëve, Korçë.  
Cambists: Spase Ago, Anesti Zguro  
Tel.: 082 246177  
Cel.: 0692054856, 0682360217

156. "ANISA 2007" LTD., FOREIGN EXCHANGE BUREAU, KORÇË

Licence: No. 194, dated 10.07.2008  
Address: Blloku "Rinia", tek ish-lokali "Rinia", Korçë  
Cambists: Shefqet Muço, Pavllo Emini  
Tel.: 082 48999  
Cel.: 0692172184

157. "LIFO" LTD., FOREIGN EXCHANGE BUREAU, KORÇË

Licence: No. 195, dated 11.07.2008  
Address: Rruga "Midhi Kostani", zona e Pazarit 1, Korçë  
Cambist: Ali Lifo  
Tel.: 082 50904  
Cel.: 0693287021

158. "YLLSON SHEHOLLARI" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 196, dated 11.07.2008  
Address: Rruga "Dibrës", No. 231, Tiranë  
Cambist: Yllson Shehollari  
Tel.: 04 2228 403  
Cel.: 0682374204

159. "MERO" LTD., FOREIGN EXCHANGE BUREAU, DEVOLL

Licence: No. 197 dated 14.07.2008  
Address: Bulevardi "Fuat Babani", Bilisht, Devoll.  
Cambists: Albert Mero, Alban Fetolli, Alketa Bedulla  
Tel.: 0811 22331  
Cel.: 0682029748  
Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR TIRANË" LTD., via official paper No. 4614/1, dated 14.07.2008

160. "H.B" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 198, dated 14.07.2008  
 Address: Bulevardi "Zogu I", Qendra Tregtare Tirana, Tiranë  
 Cambist: Haxhi Biçaku  
 Tel.: 04 2237 249  
 Cel.: 0682000301  
 Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR TIRANË" LTD., via official paper No. 5270/1, dated 14.07.2008

161. "JONI" LTD., FOREIGN EXCHANGE BUREAU, KAVAJË

Licence: No. 199, dated 23.07.2008  
 Address: Lagjja 3, rruga "Tre Dëshmorët", Kavajë.  
 Cambist: Cezar Kosova  
 Tel.: 0554 7592

162. "MAIG 25" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 200, dated 23.07.2008  
 Address: Rruga "Luigj Gurakuqi", pranë ish-foto "Skënderbeu", Tiranë  
 Cambist: Maksim Koka  
 Cel.: 0684089111

163. "REAL XH." LTD., FOREIGN EXCHANGE BUREAU, ELBASAN

Licence: No. 201, dated 31.07.2008  
 Address: Lagjja "28 nëntori", pallati 109/1, Elbasan  
 Cambist: Ismahil Idrizi  
 Tel.: 0545 7870  
 Cel.: 0692103952

164. "L – MUSTA" LTD., FOREIGN EXCHANGE BUREAU, KAVAJË

Licence: No. 202, dated 04.08.2008  
 Address: Lagjja 3, rruga "Qazim Karriqi", Kavajë  
 Cambist: Laim Musta  
 Tel.: 055247902  
 Cel.: 0682301318

165. "VALONA CHANGE" LTD., FOREIGN EXCHANGE BUREAU, VLORË

Licence: No. 203, dated 11.08.2008  
 Address: Rruga "Perlat Rexhepi", lagjja "Osman Haxhiu", pranë Sahatit, Vlorë  
 Cambists: Yzedin Jahaj, Sali Amzaj  
 Tel.: 0332 22577  
 Cel.: 0692420342

166. "UKU" LTD., FOREIGN EXCHANGE BUREAU, LEZHË

Licence: No. 204, dated 13.08.2008  
 Address: Lagjja "Skënderbeg", pallati 43, kati I, Lezhë  
 Cambist: Aleksandër Uku  
 Tel.: 021522208  
 Cel.: 0692577432

167. "E.K.B. – QYLAFKU" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 205, dated 15.08.2008  
 Address: Rruga "Konferenca e Pezës", pallati 145, shkalla 4, apartamenti 25, kati I, Tiranë  
 Cambists: Bajram Qylafku, Klarita Qylafku  
 Tel.: 04 2273 589  
 Cel.: 0682137094

## 168. "PANTEKO" LTD., FOREIGN EXCHANGE BUREAU, KUÇOVË

Licence: No. 206, dated 15.08.2008  
 Address: Lagjja "Tafil Skendo", rruga "Naftëtari" (pranë shkollës private "28 nëntori"), Kuçovë  
 Cambists: Liri Karakashi, Arben Karakashi  
 Tel.: 031122054  
 Cel.: 0682214357, 0682327271  
 Approved to conduct financial activity of money transfer agent for the account of "AK - INVEST" LTD., via official paper No 5163/1, dated 15.08.2008

## 169. "S.F.A. LEKA" LTD., FOREIGN EXCHANGE BUREAU, GJIROKASTËR

Licence: No. 207, dated 15.09.2008  
 Address: Lagjja "18 shtatori", Gjirokastër  
 Cambist: Skënder Leka  
 Tel.: 084262942  
 Cel.: 0682695587

## 170. "EDLIR" L.T.D TIRANË

Licence: No. 208, dated 16.09.2008  
 Address: Rruga "Llazi Miho", Kombinat, pranë stacionit të autobuzave, Tiranë  
 Cambists: Bajram Çela, Jolanda Çela, Ornela Çela  
 Tel.: 04 2352 261  
 Cel.: 0682141333  
 Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 5924/1 dated 19.09.2008.

## 171. "MEGACOLOR-L" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 209, dated 24.09.2008  
 Address: Rruga "Muhamet Gjollështa", pallati 42/1, Tiranë  
 Cambists: Enkelejda Dhima, Riselda Hoxha  
 Tel.: 04 2272 560  
 Cel.: 0692044442

## 172. "LIKA AGENCY" LTD., FOREIGN EXCHANGE BUREAU, PEQIN

Licence: No. 210, dated 16.10.2008  
 Address: Bulevardi kryesor Peqin  
 Cambist: Kujtim Lika  
 Tel.: 05 1222 623  
 Cel.: 0682736199  
 Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 7222, dated 24.10.2008

## 173. "SOTTA - AG" LTD., FOREIGN EXCHANGE BUREAU, ELBASAN

Licence: No. 211, dated 16.10.2008  
 Address: Lagjja "Luigj Gurakuqi", pallati 73, Elbasan.  
 Cambist: Sokol Tatzati  
 Tel.: 05 4258 875  
 Cel.: 0692082021

## 174. "EXTRA CHANGE" LTD., FOREIGN EXCHANGE BUREAU, ELBASAN

Licence: No. 212, dated 16.10.2008  
 Address: Bulevard "Qemal Stafa", lagjja "Kongresi i Elbasanit", Elbasan.  
 Cambists: Adem Ngjela, Kastriot Cala  
 Cel.: 0682999747

## 175. "E – BAROLLI" LTD., FOREIGN EXCHANGE BUREAU, BILISHT

Licence: No. 213, dated 16.10.2008  
Address: Sheshi "1 Maj", Qendër Bilisht.  
Cambist: Ervehe Baholli  
Tel.: 08 1122368  
Cel.: 0692491925

## 176. "ANDI-FRANCESCO" LTD., FOREIGN EXCHANGE BUREAU, BELSH, ELBASAN

Licence: No. 214, dated 21.10.2008  
Address: Godina 5-katëshe, Qendër Belsh, Elbasan  
Cambists: Azis Tafani, Marjeta Tafani  
Tel.: 05822243  
Cel.: 0682169870

## 177. "STADE" LTD., FOREIGN EXCHANGE BUREAU, LUSHNJE

Licence: No. 215, dated 28.10.2008  
Address: Lagjja "Skënder Libohova", pranë Bashkisë, Lushnje.  
Cambists: Dhimitër Stambolliu, Abaz Demiri  
Cel.: 0682126815

## 178. "ARDURI" LTD., FOREIGN EXCHANGE BUREAU, LUSHNJE

Licence: No. 216, dated 30.10.2008  
Address: Lagjja "Skënder Libohova", pranë Bashkisë, Lushnje  
Cambists: Arben Durri, Dylber Halla  
Tel.: 03520998  
Cel.: 0682346342

## 179. "AL &amp; TA" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 217, dated 31.10.2008  
Address: Rruga "Dibrës", pallati "ANI", kati i parë, Tiranë  
Cambists: Alfred Cenolli, Spartak Dobi  
Tel.: 04 2256 726  
Cel.: 0692072290, 0693113069  
Approved to conduct financial activity of money transfer agent for the account of "AK-INVEST" LTD., via official paper No. 5912/1, dated 03.11.2008

## 180. "FREAL-F.K.P" LTD., FOREIGN EXCHANGE BUREAU, BILISHT

Licence: No. 218, dated 05.11.2008  
Address: Bulevardi "Fuat Babani", pallati 4 (pranë Vodafone), Bilisht  
Cambists: Fredi Kutrolli, Pëllump Kutrolli  
Tel.: 081 123300  
Cel.: 0692099796

## 181. "XHAIZ" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 219, dated 05.11.2008  
Address: Rruga "Dibrës", pallati "Aurora Konstruksion", Tiranë  
Cambists: Iljaz Ahmati, Xhafer Lala  
Tel.: 04 2253 404  
Cel.: 0682087281, 0682045566  
Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 8021/1, dated 05.11.2008

## 182. "ANA – MARIA" LTD., FOREIGN EXCHANGE BUREAU, BELSH, ELBASAN

Licence: No. 220, dated 21.11.2008  
Address: Qendër Belsh, Elbasan.

Cambists: Fatos Hysa, Alketa Hysa  
 Tel.: 05822700  
 Cel.: 0683678734

183. "TOSHI – ELI" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 221, dated 25.11.2008  
 Address: Rruga "Lord Bajron", pallati 20, shkalla 2, apartamenti 12, kati I, Tiranë  
 Cambist: Tosh Vata  
 Tel.: 04 2237 695  
 Cel.: 0684099970

184. "DAMELA" LTD., FOREIGN EXCHANGE BUREAU, BELSH, ELBASAN

Licence: No. 222, dated 26.11.2008  
 Address: Qendër Belsh, Elbasan.  
 Cambist: Gazeli Hysa  
 Tel.: 05 822 024  
 Cel.: 0683282710  
 Approved to conduct financial activity of money transfer agent for the account of "AK-INVEST" LTD., via official paper No. 7923/1, dated 26.11.2008

185. "ESI – ENA" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 223, dated 15.12.2008  
 Address: Rruga "Llambi Bonata", pallati 44, shkalla 1, apartamenti 12, kati I, Tiranë.  
 Cambists: Loreta Bajrami, Agron Bajrami  
 Tel.: 04 2351 722  
 Cel.: 0692069702  
 Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 9504/1, dated 15.12.2008

186. "MOGI" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 224, dated 15.12.2008  
 Address: Rruga "Bardhok Biba", pallati 75, shkalla 6, apartamenti 22, Tiranë  
 Cambists: Olimbi Hajdari, Hasan Hajdari  
 Tel.: 04 2266 041  
 Cel.: 0694039021, 0693113069

187. "LANA2 AD" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 225, dated 24.12.2008  
 Address: Rruga "Ali Demi", pallati 167/1, Tiranë  
 Cambists: Ixhlale Alimerko, Shyhrete Likaj, Anilda Neziri  
 Tel.: 04 2376 025  
 Cel.: 0692033511  
 Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No. 9458/1, dated 26.12.2008

188. "DPA" LTD., FOREIGN EXCHANGE BUREAU, TIRANË

Licence: No. 226, dated 26.12.2008  
 Address: Qendra Tregtare Univers në autostradën Tiranë - Durrës, km 7, Tiranë  
 Cambists: Ardian Grori, Endrit Gjoksi  
 Tel.: 04 2380 154  
 Cel.: 0682631941  
 Approved to conduct financial activity of money transfer agent for the account of "UNIONI FINANCIAR Tiranë" LTD., via official paper No.

8839/1, dated 29.12.2008

189. "R & M TOURS – 2008" LTD., FOREIGN EXCHANGE BUREAU, MIRDITË

Licence: No. 227, dated 29.12.2008

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