



## **FINANCIAL STABILITY ADVISORY GROUP**

Tirana, 26.01.2016

### **PRESS RELEASE**

#### **Meeting of the Financial Stability Advisory Group**

---

The Financial Stability Advisory Group (FSAG) held its regular meeting on 22 January 2016. The attendees were the Minister of Finance, Governor of the Bank of Albania, Chair of the Board of the Financial Supervision Authority, Director General of the Deposit Insurance Agency, as well as other representatives from these institutions. The main topics discussed in the meeting were:

- online trading portals;
- state of the banking sector.

Online trading portals provide interested parties with the possibility to invest in international regulated exchanges. As these investments bear considerable risk, the FSAG deems that the interested public should show caution and accomplish such investments through licenced entities, on the basis of comprehensive information and only when satisfied of having the necessary financial literacy, which allow for understanding the risks associated with these activities. The regulated entry and operation in the market of brokers, in this case through online trading portals, contributes to both enhancing financial literacy and developing financial markets. A regulated activity means it is controlled by supervisory authorities to verify how the broker approach enhances the awareness of the investor about the risks associated with investing in the regulated exchanges, limits the size of possible loss and provides full transparency to explain it when it occurs. On the other hand, when the activity is not licenced or supervised, the investors are exposed to hidden costs and other obligations, which, in the absence of the necessary transparency by the broker entity, may be significant.

In this context, the FSAG invites those interested to consult repeatedly the list of licenced entities by the Albanian Financial Supervision Authority and Bank of Albania, respectively, in the following web links:

- <http://www.amf.gov.al/tletrave.asp?id=1&s=1> (the section "Subjects under jurisdiction", gives information about all the licenced entities, including those that offer intermediary services for investment in international markets ).
- [https://www.bankofalbania.org/web/Rregjistri\\_i\\_Bankave\\_tregetare\\_50\\_1.php](https://www.bankofalbania.org/web/Rregjistri_i_Bankave_tregetare_50_1.php) (in addition to information about banks, the section "Other registers" provides information on Foreign Exchange Bureaus, Non-Bank Financial Institutions, Representation Offices, and Unions of Savings and Loan Associations); and

In addition, the FSAG urges the relevant authorities to strengthen the inter-institutional cooperation, with each-other and with other relevant authorities in Albania and abroad, in order to exchange information and undertake actions with a view to improving the legal framework and its implementation.

Furthermore, the FSAG reviewed the financial situation of the banking sector. FSAG assesses that the banking sector continues to be stable, well capitalised and liquid. Data as of November 2015 show that both the financial result and credit portfolio quality have improved. The latter is expected to persist in 2016, as a result of the NPL write off from banks' balance sheets. Bank lending to the economy has been sluggish overall, but expectations for its performance in 2016 are more positive. Improvement of the loan quality and the downward path on their interest rates, stable level of savings, improvement of economic growth and Government's lower borrowing demand are considered as factors that will increase their positive impact on the banks' decision to lend to the economy. The Bank of Albania, in cooperation with other authorities, will undertake all the necessary actions with regard to maintaining banking sector stability and strengthening its contribution to the economic growth in Albania.