

## Related party transactions

Banka Kombetare Tregtare makes public on a quarterly basis all the balances and transactions with its related parties, as part of the Bank's periodic IFRS based reporting of the financial statements.

The following information on related parties consists of the Note 13 of the latest IFRS review report of BKT as at 30 June 2020 signed by Grant Thornton sh.p.k. on 21 August 2020.

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### Related party transactions

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

#### *Identity of related parties*

The Bank has related party relationships with its shareholders and affiliates, directors and executive officers. The Bank's sole shareholder is Calik Finansal Hizmetler, which is owned by Calik Holding at 100% as at 30 June 2020. The ultimate controlling party is Mr. Ahmet Calik. ALBtelecom Sh.a., Albania Leasing, Aktif Yatirim Bankasi A.S. ("Aktifbank"), GAP Pazarlama FZE, Gap İnşaat Yatırım ve Dış Ticaret A.Ş., Calik Elektrik Dagitim A.S and Calik Enerji Sanayi Ve. Ticaret A.S, Kosovo Electricity Distribution and Supply Company J.S.C (KEDS) and Kosovo Electricity Supply Company J.S.C (KESCO) are controlled by Calik Holding.

#### *Balances and transactions with related parties*

	30 June 2020	31 December 2019
<b>Assets</b>		
<i>Placement and balances with banks:</i>		
Current accounts with Aktifbank	270,169	110,864
<i>Loans to customers:</i>		
ALBtelecom	36,615,474	37,360,984
Albania Leasing	62,072	107,715
<i>Other assets:</i>		
Receivables from ALBtelecom Sh.a	43,471	10,170
<b>Total assets</b>	<b>36,991,186</b>	<b>37,589,733</b>
<b>Liabilities</b>		
<i>Due to banks and financial institutions:</i>		
Borrowings with Aktifbank	13,448,220	-
<i>Customer deposits:</i>		
ALBtelecom Sh.a.	813,073	532,664
Albania Leasing	176,213	285,740
KEDS / KESCO	8,223,148	13,727,846
<i>Other liabilities:</i>		
Dividend Payable to Calik Finansal Hizmetler A.S.	40,000,000	-
<b>Total liabilities</b>	<b>62,660,654</b>	<b>14,546,304</b>

	<b>Six months ended 30 June 2020</b>	<b>Six months ended 30 June 2019</b>
<b>Statement of profit or loss and other comprehensive income</b>		
<i>Interest income from:</i>		
KEDS/KESCO	-	5,198
ALBtelecom Sh.a.	898,893	231,962
Albania Leasing	2,059	4,311
Aktifbank	-	1,392,946
<i>Interest expenses for:</i>		
ALBtelecom Sh.a.	(133)	(203)
Aktifbank	(337,050)	(1,213)
<i>Fees and commissions:</i>		
Account maintenance and lending fees from:		
ALBtelecom Sh.a.	34,347	30,577
Albania Leasing	1,564	1,772
KEDS / KESCO	23,393	9,446
<i>Letters of guarantee:</i>		
ALBtelecom Sh.a	696	1,516
Calik Enerji Sanayi Ve. Ticaret A.S	-	10,192
<i>Other income:</i>		
Operating lease income from ALBtelecom Sh.a.	30,853	31,551
<i>Operating Expenses</i>		
ALBtelecom Sh.a. and Calik Holding	(754,376)	(704,306)
<b>Net</b>	<b>(99,754)</b>	<b>1,013,749</b>

#### ***Balances and transactions with directors and executive officers***

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

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

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

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