

# **INVESTING IN KOSOVO BANK'S PERSPECTIVE**

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# AGENDA

- **Overview of the Banking Industry**
- **Key facts and Indicators**
- **Bank for Business**
- **Why Invest in Kosovo?**



# OVERVIEW OF THE BANKING INDUSTRY

- Established from the scratch
- Modern legal infrastructure
  - Assisted from IMF, WB, US and EC
- Adoption of the Euro as legal tender
  - Has brought financial stability
- No entry barriers
  - Competitive market



# OVERVIEW OF THE BANKING INDUSTRY

## ○ Challenges/Opportunities

- Further strengthening rule of law (contractual enforcement)
- Development of capital market
- Country rating
  - access to foreign financing



# KEY FACTS OF THE BANKING SECTOR

- 8 banks operating in Kosovo
  - All commercial banks
- Out of total, six with foreign capital
- All banks provide similar banking products and services
  - The product base in continuous expansion



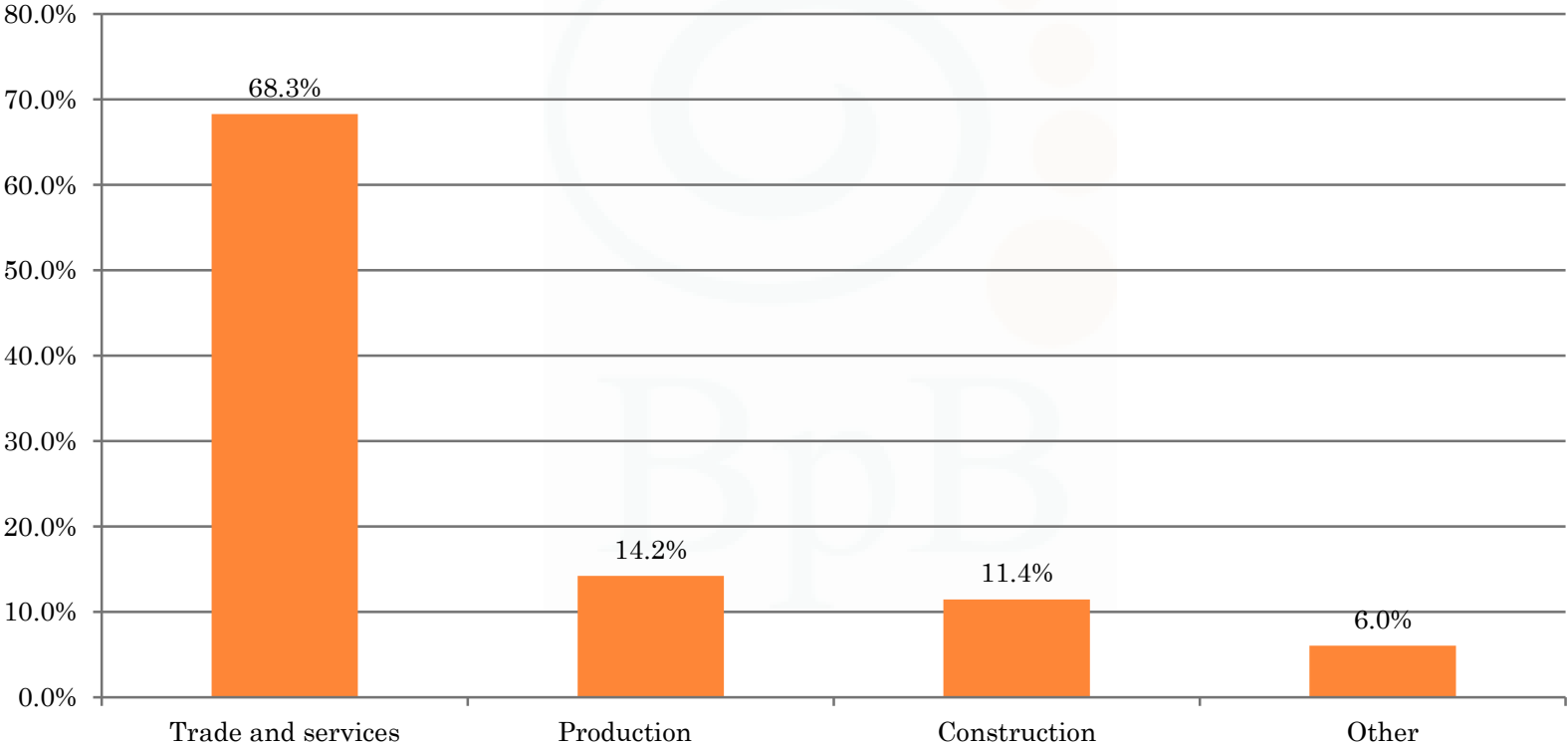
# KEY FACTS OF THE BANKING SECTOR

- Good country coverage with a wide branch network
- Most attractive sectors for financing:
  - Trade & Services
  - Construction
  - Production



# KEY FACTS OF THE BANKING SECTOR

**Business loans by sectors  
August, 2010**



# KEY FACTS OF THE BANKING SECTOR

- Sources for financing; mainly internal
  - Customer deposits
  - Capital





# KEY INDICATORS

## AVERAGE FOR THE LAST TWO YEARS

- ROA around 1.3%
- ROE around 16%
- Asset growth 15%
- Deposit growth 14.5%
- Credit growth 12%
- Loans to GDP as of August, 2010 around 33%



# BANK FOR BUSINESS – BpB

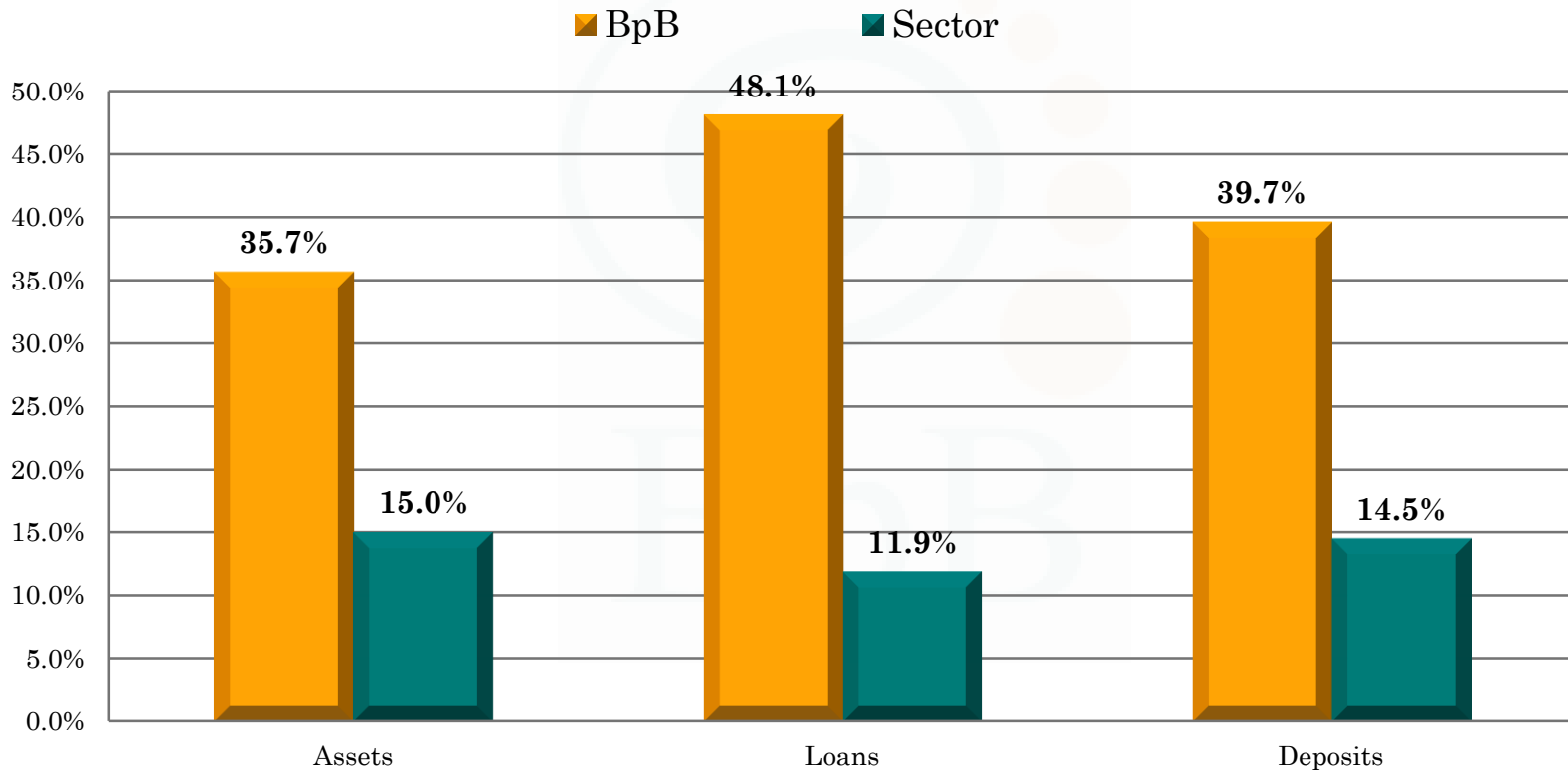
- Established in 2001 as one of the first local banks
  - By reputable local businesses
  - Italian bank “Banca di Cividale” is one the shareholders of BpB
- BpB offers a wide range of services
  - To: Private Individuals, Micro, SMEs and Corporate Clients
- Operates in all the main cities and towns,
  - with total of 7 branches and 35 sub-branches/offices



# BPB FINANCIAL HIGHLIGHTS

## COMPARISONS WITH THE SECTOR

Average yearly growths for the last two years



# RECENT PARTNERSHIP AND COOPERATION

- Finance Agreement with European Bank for Reconstruction and Development – EBRD
  - Agreement for a credit line
  - Ongoing discussions for a Trade Facility Program
  - Potential equity investment



# BPB- OPPORTUNITY FOR MORE....

- Reliable business partner for potential investors and market entrants
  - Financially sustainable
  - Wide branch network, including technology
  - Wide and stable Customer base
  - Young and motivated Staff



# BPB AS RELIABLE BUSINESS PARTNER; CONSTRUCTION LOAN



# BPB AS RELIABLE BUSINESS PARTNER; PRODUCTION LOAN



# BPB AS RELIABLE BUSINESS PARTNER; AGRO BUSINESS LOAN





# WHY INVEST IN KOSOVO?

- Low labor costs
- Young labor force
- The lowest tax wedge in the region
- Very effective business registration procedures
- Trade liberalization – easy access to the regional market



# WHY INVEST IN KOSOVO?

- Financial stability
  - Use of the Euro
- Numerous significant privatization opportunities
- Modern EU-compatible legislative system
- Very friendly environment for foreign investments.



A large, light blue watermark of the BpB logo is centered on the page. The logo consists of the letters 'BpB' in a serif font, with a stylized circular graphic behind the 'p' and a vertical line of five orange circles of increasing size to the right.

**BpB**

**WELCOMES YOU**

BpB

