



# **Preliminary SPI Albania 2008 Program**

**Informal Meeting of SPI Committee Members**

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# SPI ALBANIA BANKS' PROJECT PIPELINE

## **Business Development**

1. Improve corporate/consumer lending
2. Developing scoring card system for individuals
3. Strengthening the stock exchange
4. Facilitating leasing transactions
5. Securitization
6. Strengthening the AAB
7. Facilitating agricultural lending
8. Facilitating lending to tourism
9. Lending to municipalities
10. Increasing mortgage loans
11. Facilitating structural lending
12. Improving the lending environment
13. Facilitating lending to PPPs
14. Strengthening bank staff

## **Industry Competitiveness**

15. Improving credit risk in consumer lending
16. Better credit risk management
17. Improving KYC policies
18. Facilitating expansion of bank activities
19. Reducing cash transactions
20. Improving auction procedures for buildings
21. Optimize Anti-Money Laundering reporting
22. Improving write-off of bad debts
23. Account stopping

## **Industry Reputation**

24. Financial Ombudsman
25. Regulating bank communications of 'effective' interest rate (EIR) offered to consumers
26. Consumer financial education

# AAB's PRIORITY PIPELINE

- Improving auction procedures for buildings
- Developing scoring card system for individuals
- Reducing cash transactions
- Facilitating leasing transactions

# BANK OF ALBANIA SPI PROPOSALS

- Designing the regulation on consumer credit
- Designing the regulation on criteria on corporate governance and the requirements for approving banks' administrators
- Reviewing the regulation on capital adequacy
- Reviewing the guidelines on bank conservation and liquidation
- Reviewing the regulation on foreign open positions

# SPI Albania Program Overview

	European Central Bank CRITERIA				
	Asymmetric information	Completeness of the market	Increased opportunities to engage in financial transactions	Reduced transaction costs	Increased competition
<b>Italian Banking Association CRITERIA</b>					
<b>Business development</b>	<b>1. Improve corporate/consumer lending</b> <b>2. Developing scoring card system for individuals</b>	<b>3. Strengthening the stock exchange</b> <b>4. Facilitating leasing transactions</b> <b>5. Securitization</b> <b>6. Strengthening the AAB</b> <b>27. Designing regulation on consumer credit</b>	<b>7. Facilitating agricultural lending</b> <b>8. Facilitating lending to tourism</b> <b>9. Lending to municipalities</b> <b>10. Increasing mortgage loans</b> <b>11. Facilitating structural lending</b> <b>12. Improving the lending environment</b> <b>13. Facilitate lending to PPPs</b> <b>29. Regulation on foreign open positions</b>	<b>14. Strengthening bank staff</b>	
<b>Industry competitiveness</b>	<b>15. Improving credit risk in consumer lending</b> <b>16. Better credit risk management</b> <b>17. Improving KYC policies</b>	<b>28. Banks corporate governance and requirements for their administrators</b>	<b>18. Facilitating expansion of banks activities</b> <b>30. Revising capital adequacy ratio</b>	<b>19. Reducing cash transactions</b> <b>20. Improving auction procedures for buildings</b> <b>21. Optimize Anti-Money Laundering reporting</b> <b>22. Improving write-off of bad debts</b> <b>23. Account stopping</b> <b>31. Reviewing guidelines on banks' conservation and liquidation</b> <b>32. Rationalizing reporting to BoA</b> <b>33. Harmonizing accounting policies</b>	
<b>Industry reputation</b>	<b>34. Improving access to basic banking products</b>	<b>24. Financial ombudsman</b>			<b>25. Regulating bank communications of "effective" interest rate (EIR) offered to customers</b> <b>26. Consumer financial education</b> <b>35. Enhancing financial consumer's protection</b>
	6	7	10	9	3 5

**BOLD BLUE:** BOA Proposals; **BOLD RED:** AAB Proposals; Black: other proposals

# SPI Albania Proposed Priority Projects

	European Central Bank CRITERIA				
	Asymmetric information	Completeness of the market	Increased opportunities to engage in financial transactions	Reduced transaction costs	Increased competition
<b>Italian Banking Association CRITERIA</b>					
<b>Business development</b>	<b>9. Developing scoring card system for individuals</b>	<b>1. Facilitating leasing transactions</b> <b>6. Designing regulation on consumer credit</b>	<b>2. Regulation on foreign open positions</b>		
<b>Industry competitiveness</b>		<b>8. Banks corporate governance and requirements for their administrators</b>	<b>5. Revising regulation on capital adequacy ratio</b>	<b>3. Improving auction procedures for buildings</b> <b>4. Reducing cash transactions</b> <b>7. Reviewing guidelines on banks' conservation and liquidation</b>	
<b>Industry reputation</b>					
Total <b>9</b> priority projects out of 32	<b>1/5</b>	<b>3/8</b>	<b>2/10</b>	<b>3/7</b>	<b>0/2</b>

**BOLD BLUE**: BOA Proposals; **BOLD RED**: AAB Proposals.

# An Implementation Timeline

No.	Project	Working Group formed	Analysis completed	SPI Committee discussion
1.	Facilitating leasing transactions	June	June	July
2.	Reviewing the regulation on foreign open positions	June	June	July
3.	Improving auction procedures for buildings	June	September	October
4.	Reducing cash transactions	June	September	October
5.	Reviewing the regulation on capital adequacy ratio	July	September	October
6.	Designing the regulation on consumer credit	July	October	December
7.	Reviewing the guidelines on bank conservatorship and liquidation	September	November	December
8.	Designing the regulation on criteria on corporate governance and the requirements for approving the banks' administrators	September	November	December
9.	Developing scoring card system for individuals	September	November	December
	<b>Total 9 projects</b>			