

BANKING PERIODIC

OVERVIEW OF THE FINANCIAL SECTOR IN KOSOVO

BANKING INDUSTRY - STATISTICS ON INTERBANK TRANSACTIONS

BANKING PERIODIC



SHOQATA E BANKAVE TË KOSOVËS
KOSOVO BANKING ASSOCIATION

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BANKING INDUSTRY - STATISTICS ON INTERBANK TRANSACTIONS

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THE NUMBER AND VALUE OF TRANSACTIONS IN THE BANKING INDUSTRY IN KOSOVO

Besides continued growth of main values in the banking industry's balance sheet and income statement, the banking industry has recorded significant growth in the number and value of transactions. In the two following tables that data may be seen.



NUMBER OF TRANSACTIONS						
No.	Type of transaction	2010	2011	2012	2013	2014
1	Regular	615,700	727,668	833,409	970,717	1,032,043
2	Priority	15,145	18,657	22,300	24,812	26,079
3	Massive Regular	2,872,234	2,937,845	2,916,145	3,294,677	3,731,436
4	Massive Priority	2,021	2,091	3,873	1,797,330	3,233,049
5	Giro Payments	419,329	496,197	543,338	692,281	1,013,620
6	Securities	0	0	309	498	618
7	Direct Debit	3,303	7,321	10,304	13,115	14,582
8	Total	3,927,732	4,189,799	4,329,678	6,793,430	9,051,427

Tab. 1 | Source: CBK – Monthly report on cash & noncash instruments

Table 1 shows the number and type of transactions conducted through the banking industry. If the difference between 2010 and 2014 is compared, we can see that the total number of transactions has been doubled. Within the total number of transactions at the end of 2014, their main part is composed of massive regular transactions with 41.2%, followed by massive priority transactions with 35.7%, regular with 11.4%, and so on.

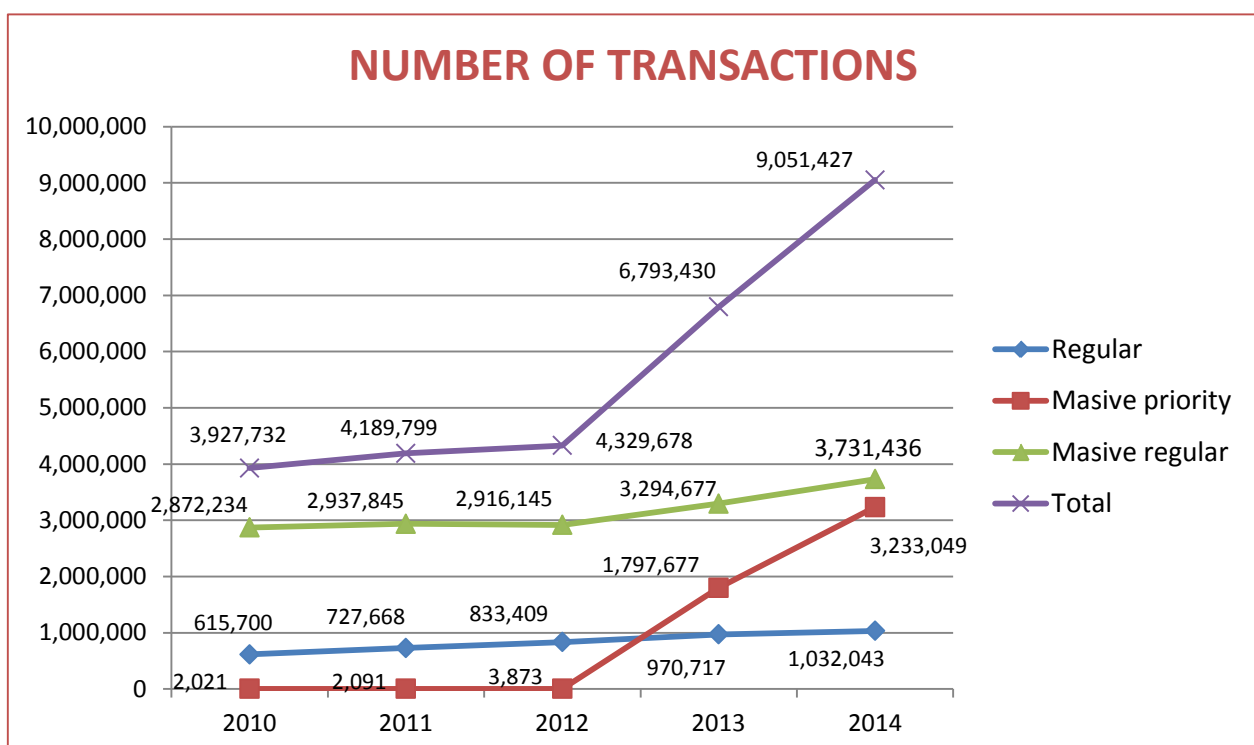


Fig. 1 | Source: CBK – Monthly report on cash & noncash instruments

From figure 2, it can be seen that a significant increase within the total number of transactions has been marked mainly in the last two years, i.e. during 2013 and 2014. This trend of growth in the last two years can be observed in almost all types of transactions.

THE VALUE OF TRANSACTIONS (million Euro)						
No.	Type of transaction	2010	2011	2012	2013	2014
1	Regular	2,949,927,889	3,089,861,522	3,161,880,010	3,319,527,253	3,329,886,961
2	Priority	568,863,646	652,651,299	893,490,615	768,577,986	666,722,026
3	Massive Regular	402,854,278	465,187,793	470,361,458	531,795,573	536,499,429
4	Massive Priority	1,386,264	1,434,815	2,397,909	374,517,269	645,334,638
5	Giro Payments	734,367,963	871,170,119	892,130,913	899,986,956	949,316,256
6	Securities			252,653,198	534,011,408	695,370,096
7	Direct Debit	2,807,939	6,252,067	8,043,429	6,763,903	7,182,931
8	Total	4,660,207,982	5,086,557,617	5,680,957,532	6,435,180,348	6,830,312,337

Tab. 2 | Source: CBK – Monthly report on cash & noncash instruments

As the number of transactions has increased, their value in the banking industry for all types has also increased. The growth of these values can be seen from Table 2 presented. In comparison to 2010, the value of all transactions increased by 46.5% at the end of 2014. Within the total value of transactions at the end of 2014, the largest values were marked by regular transactions which constitute 48.7% of total value of transactions, followed by the value of Giro payments, securities and so on.

The increase of numbers and values of transactions in the banking industry shows that citizens of Kosovo have great trust in this industry, where more of their payments are channeled through the banking industry. Furthermore, this industry is also used as a tool to document any payments that customers make on behalf of their obligations.

NUMBER OF TERMINALS, CARDS AND E-BANKING ACCOUNTS

For clients of the banking industry, electronic payment instruments are more required, since they enable the fulfillment of payments whenever they need, regardless of the time and working schedule, enabling the usage of this service during twenty-four hours. For this reason their use is growing increasingly, as can be seen in the presented Table 3.

NUMBER OF BANK CARDS									
No.	Cards by function	2013				2014			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
I.	Cards with a cash function	670,871	702,238	730,812	754,380	731,442	750,878	813,199	813,026
II.	Cards with a payment function of which:	679,017	702,238	730,812	754,380	731,442	750,878	798,996	799,742
	1 - Cards with a debit function	581,674	602,899	628,173	645,048	618,926	633,635	679,465	678,090
	2 - Cards with a credit function	97,343	99,339	102,639	109,332	112,516	117,243	119,531	121,652
III.	Cards with an e-money function	13,318	13,589	13,589	15,017	15,125	14,203	14,203	13,284
IV.	Total number of cards	692,335	715,827	744,401	769,397	746,567	765,081	813,119	813,026

Tab. 3 | Source: CBK – Monthly report on cash & noncash instruments

At the end of 2014 the number of bank cards reached 813,026; of which 83.4% have a debit card function, 14.9% with a credit card function and 1.6% with electronic money function.

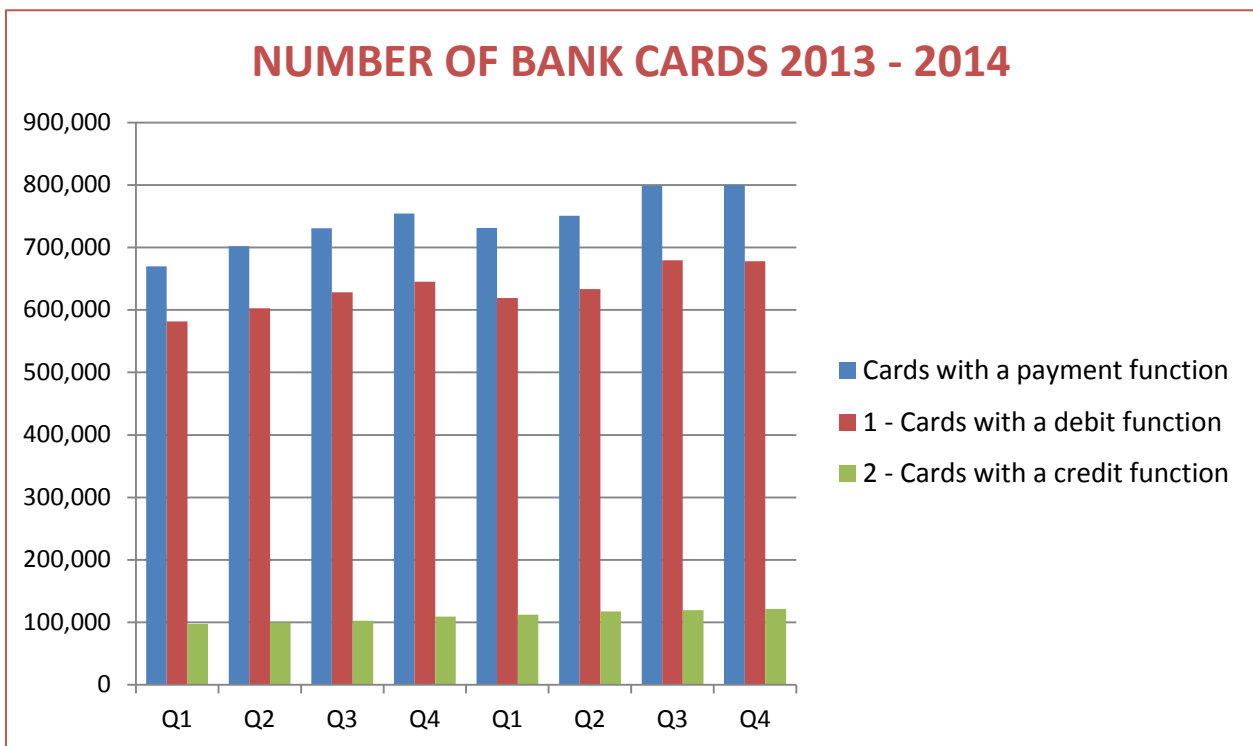


Fig. 2 | Source: CBK – Monthly report on cash & noncash instruments

The banking industry has a relatively good infrastructure of terminals created and distributed throughout the territory of the Republic of Kosovo, through which such transactions are carried out using bank cards. Table 4 shows this infrastructure over the years on the number of points of sale and ATMs.

NUMBER OF TERMINALS FOR CARDS AND ELECTRONIC MONEY							
No.	Terminals by function	2009	2010	2011	2012	2013	2014
I.	Automated Teller Machines (ATM) of which:	339	415	460	483	496	498
	1 - ATMs with a cash withdrawal function	339	415	460	483	496	498
	2 - ATMs with a credit transfer function of which:	122	141	147	145	148	50
	a - ATM with Kos Giro payment function	N/A	39	69	73	70	50
	3 - ATMs with a deposit function	0	0	1	1	8	13
II.	POS Terminals (Point of Sale) of which:	5,251	6,194	7,534	8,592	9,071	9,349
	1 - POS terminals with a cash withdrawal function	221	212	1,376	220	215	220
	2 - EFTPOS terminals	5,223	5,930	6,320	8,499	8,856	9,179
III.	Virtual POS terminals for card payments	0	0	0	0	0	7
IV.	E-money card terminals	0	0	0	0	0	0

Tab. 4 | Source: CBK – Monthly report on cash & noncash instruments

Compared to 2009, at the end of 2014 the banking industry increased by 46.9% in the number of ATMs. It is important to note that the banking industry, except for the possibility of withdrawal of cash has created the opportunity to perform various payments through ATMs, such as Giro payments, mobile payments, cash deposits, etc.

In the banking industry, besides increasing the number of ATMs, the number of Points of Sale has also increased. This can be seen from Table 4 and Figure 3.

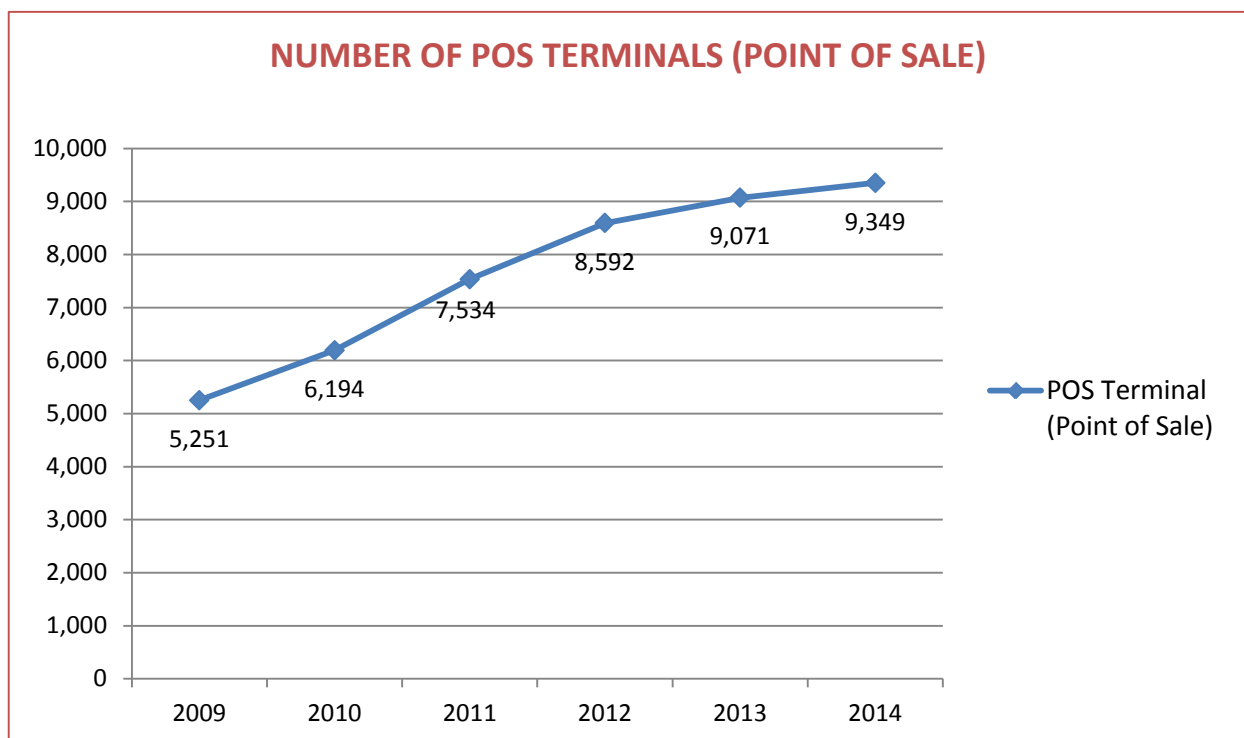


Fig. 3 | Source: CBK – Monthly report on cash & noncash instruments

Compared to 2009, at the end of 2014 the banking industry increased by 78.0% for the number of points of sale or an additional 4,098 POS terminals.

NUMBER OF E-BANKING ACCOUNTS							
No.	Description	2009 Total	2010 Total	2011 Total	2012 Total	2013 Total	2014 Total
1.	E- Banking accounts	40,924	55,292	68,990	97,089	131,365	157,761

Tab. 5 | Burimi: BQK – Raporti tremujor mbi instrumentet cash dhe jocash

A more significant increase in their number has marked E-banking accounts. Compared to 2009, the number of e-banking accounts increased by 285% at the end of 2014.

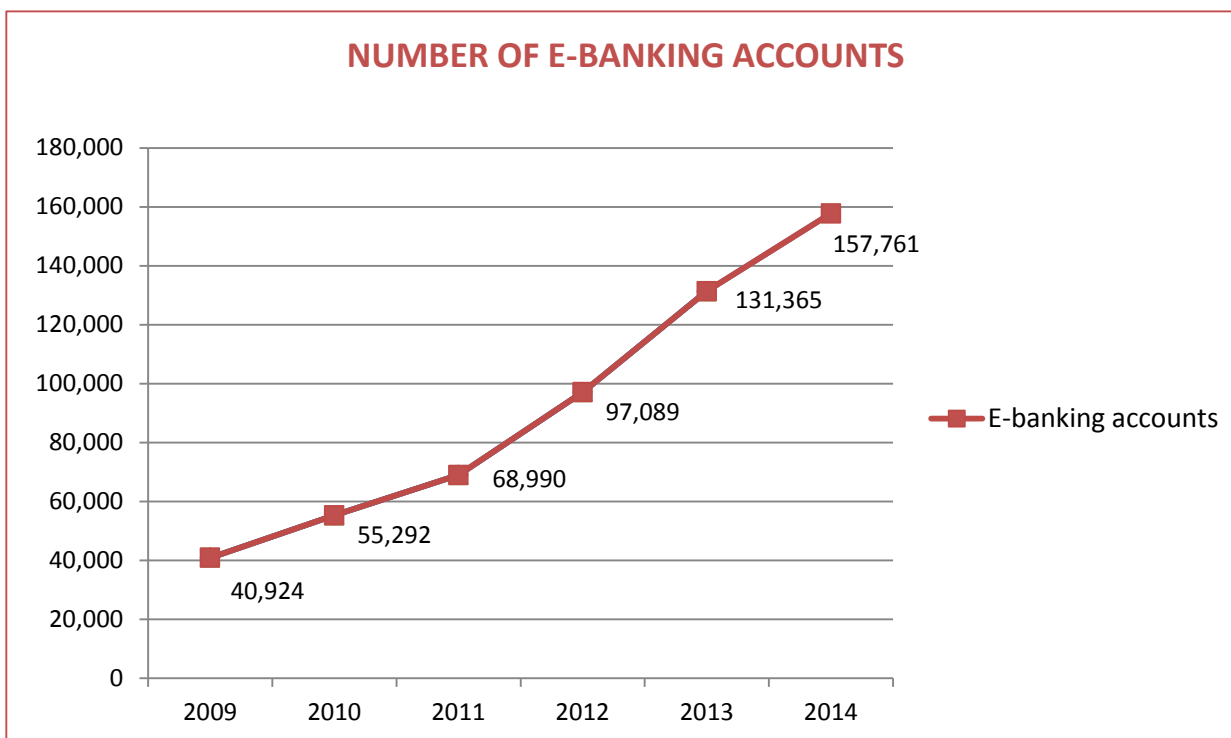
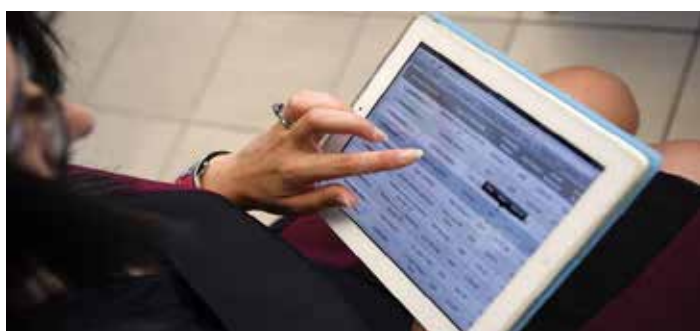


Fig. 4 | Source: CBK – Quarterly report on cash & noncash instruments



The increase in the number of e-banking accounts is in proportion with the increase in the number and value of transactions executed by this payment instrument, a value which will be addressed below.

VALUE AND NUMBER OF CARD AND E-BANKING TRANSACTIONS IN THE BANKING INDUSTRY

Table 6 and 7 shows that the year 2014 compared to 2013 increased both in number and value of transactions. The year 2014 had 12.2% more card transactions than 2013, 7.3% number of transactions in cash withdrawals at ATMs and 25.5% more payments with cards at the point of sales terminals.

NUMBER OF CARD TRANSACTIONS THROUGH TERMINALS

Nr.	Description	2013				Total	2014				Total
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
I.	Total number of transactions with cards of which:	3,029,903	3,264,376	3,44,217	3,390,578	13,129,074	3,324,599	3,617,691	3,874,485	3,917,414	14,734,189
	1 - ATM cash withdrawals	2,120,630	2,294,325	2,436,798	2,399,759	9,251,512	2,245,689	2,478,440	2,640,917	2,561,090	9,926,136
	2 - ATM deposits	912	1,252	1,580	1,570	5,314	3,527	4,591	5,553	14,053	27,724
	3 - ATM credit transfers	29,656	29,276	26,031	23,345	108,308	18,770	18,890	17,690	14,810	70,160
	4 - POS terminal cash withdrawals	3,964	3,995	10,195	3,810	21,964	4,011	4,191	3,865	1,266	13,333
	5 - Card payments at POS terminals	874,741	935,528	969,613	962,094	3,741,976	1,052,602	1,111,579	1,206,460	1,326,195	4,696,836

Tab. 6 | Source: CBK – Monthly report on cash & noncash instruments

Table 7 noted that compared to 2013, the value of card transactions at the end of 2014 grew by 9.2%, cash withdrawals by 6.4%, while payments with cards at the point of sales terminals by 24.0%.

VALUE OF CARD TRANSACTIONS THROUGH TERMINALS

No.	Description	2013				Total	2014				Total
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
I.	Total number of transactions with cards of which:	233,886,942	273,476,662	356,068,883	292,017,218	1,155,449,704	261,206,247	303,438,700	358,981,323	338,606,328	1,262,232,598
	1 - ATM cash withdrawals	2,120,630	2,94,325	2,436,798	2,399,759	9,251,512	2,245,689	2,478,440	2,640,917	2,561,090	9,926,136
	2 - ATM deposits	912	1,252	1,580	1,570	5,314	3,527	4,591	5,533	14,053	27,724
	3 - ATM credit transfers	29,656	29,276	26,031	23,345	108,308	18,770	18,890	17,690	14,810	70,160
	4 - POS terminal cash withdrawals	3,964	3,995	10,195	3,810	21,964	4,011	4,191	3,865	1,266	13,333
	5 - Card payments at POS terminals	874,741	935,528	969,913	962,094	3,741,976	1,052,602	1,111,579	1,206,460	1,326,195	4,696,836

Tab. 7 | Source: CBK – Monthly report on cash & noncash instruments

The number and value of transactions carried out through e-banking are also increasing. This increase can be seen from the presented Table 8, where values have been multiplied. Only within a year, the number of transactions compared to 2013 increased by 49.5%, while the value of transactions increased by 58%.

NUMBER AND VALUE OF TRANSACTIONS THROUGH E-BANKING

No.	Description	2009	2010	2011	2012	2013	2014
		Total	Total	Total	Total	Total	Total
1.	Number of transactions	228,886	318,375	424,273	625,762	1,056,655	1,579,838
2.	Value of transactions	607,305,817	782,383,357	1,218,089,663	1,499,093,438	2,671,011,546	4,220,405,696

Tab. 8 | Source: CBK – Monthly report on cash & noncash instruments

If these values are compared to previous periods, i.e. from 2009 to 2014, the number and value of e-banking transactions almost seven folded.

All data and statistics shown above, show that the banking industry is being oriented more towards the use of electronic payment instruments, i.e. toward automation of products and services that do not require the physical presence of bank employees. These services are compatible with contemporary developments that offer twenty-four hour services, without interruption, regardless of hours and time, at the same time offering safety and accuracy during their use. These are the main reasons why electronic payment instruments have been supported and have shown significant increase in their use.

INCOME FROM FEES IN RELATION TO THE NUMBER OF TRANSACTIONS

Despite significant growth in numbers and total value of transactions within the banking industry in the past two years, as seen in Table 9 and 10 in the last two years, where the number of transactions increased by 56.9% in 2013 and 33.2 % in 2014, income from non-interest, which includes income from fees and commissions, remained roughly the same.

THE NUMBER AND VALUE OF TRANSACTIONS AS WELL AS NON-INTEREST INCOME						
		2010	2011	2012	2013	2014
No.	Description	Total	Total	Total	Total	Total
1.	Number of transactions	3,927,732	4,189,799	4,329,678	6,793,430	9,051,427
2.	Value of transactions	4,660,207,982	5,086,557,617	5,680,957,532	1,499,093,438	6,830,312,337
3.	Non-interest income (mil. Euro)	41	45	47	50	48

Tab. 9 | Source: CBK – Income statement of other depository corporations and monthly report on cash and non cash instruments

In 2014, non-interest income declined by 3.6%, despite the increase in the number and value of transactions during the year. This shows that the banking industry has significantly reduced fees from transactions, as this income has been fairly consistent over the years, despite continued growth in the number and value of transactions.

THE UPWARD TREND OF THE NUMBER AND VALUE OF TRANSACTIONS AND THE TREND OF NON-INTEREST INCOME					
		2011	2012	2013	2014
No.	Description	Total	Total	Total	Total
1.	Number of transactions	6.7%	3.3%	56.9%	33.2%
2.	Value of transactions	9.1%	11.7%	13.3%	6.1%
3.	Non-interest income	8.6%	3.5%	6.4%	-3.6%

Tab. 10 | Source: CBK – Income Statement of ODC and the monthly report on cash and non cash instruments

The banking industry is investing heavily in technology, through which it enables transactions executed through electronic payment instruments, by stimulating clients through lowering fees for those who use these instruments.

The strategy followed by the banking industry of Kosovo is in accordance with the national strategy of payments compiled by the Central Bank of Kosovo, which aims at further advancement of electronic products and services, in order to minimize the use of cash, thus contributing directly in reducing the informal economy and reducing many other risks that may result from the use of cash.

PAYMENT INSTRUMENTS COMPARED WITH SOUTH EASTERN EUROPEAN COUNTRIES

Kosovo's banking industry has managed to develop in recent years and be comparable with other countries in the region and further, taking into account the circumstances in which the banking industry and business situation developed in Kosovo, considering the list of doing business by the World Bank. Table 11 gives an overview on payment terminals and payment instruments and their comparison with other countries.

COMPARATIVE TABLE OF PAYMENT INSTRUMENTS WITH SOUTH EASTERN EUROPEAN COUNTRIES IN 2013													
No.	Description	Kosovo	Albania	Montenegro	Macedonia	Bosnia	Serbia	Croatia	Slovenia	Czech R.	Turkey	Bulgaria	Hungary
1	Population	1.8	2.89	0.62	2.06	3.84	7.18	4.26	2.06	10.52	75.63	7.28	9.91
2	ATM	496	822	334	930	1,368	2,673	4,123	1,775	4,399	42,011	5,848	4,830
-	ATM (per 1 million people)	273	284	539	451	356	372	968	862	418	555	803	487
-	ATM (per 100 km ²)	5	3	2	4	3	3	7	9	6	5	5	5
3	POS	9,071	5,668	11,111	37,167	20,402	59,822	92,221	35,594	95,723	2,293,695	70,752	90,795
-	POS (per 1 million people)	4,984	1,961	17,921	18,042	5,313	8,332	21,648	17,279	9,099	30,328	9,719	9,162
-	POS (per 100 km ²)	83	20	80	145	40	77	163	176	121	293	64	98
4	Credit cards	109,332	64,432	49,289	313,365	209,059	955,221	360,131	112,579	1,609,673	56,835,221	802,306	1,351,026
-	Credit cards (per 1 million people)	60,073	22,295	79,498	152,119	54,442	133,039	84,650	54,650	153,011	751,490	110,207	136,330
5	Debit cards	645,048	741,128	347,572	1,188,947	1,562,277	5,133,080	6,798,984	2,530,183	8,777,337	100,164,954	6,934,154	7,595,444
-	Debit cards (per 1 million people)	354,422	256,446	560,600	577,159	406,843	714,914	1,596,006	1,228,244	834,348	1,324,408	952,494	766,442
6	Number of e-banking accounts	131,365	113,930	48,215	468,097	122,522	-	-	-	-	-	-	-
-	E-banking (per 1 million people)	72,179	39,422	77,766	227,232	31,907	-	-	-	-	-	-	-

Tab. 11 | Source: CBK – Annual Report on Payment Instruments

If we consider the number of population and territorial area which we live in, we can see that the banking industry in Kosovo in many of these instruments is ahead of Albania and comparable to many of the countries in the region. However if we take into account the trend expressed as a percentage of the increased usage of electronic payment instruments in Kosovo, especially in the last two years, which were addressed in this publication above, we can say that Kosovo is in a satisfactory level in terms of providing infrastructure on electronic products and services.

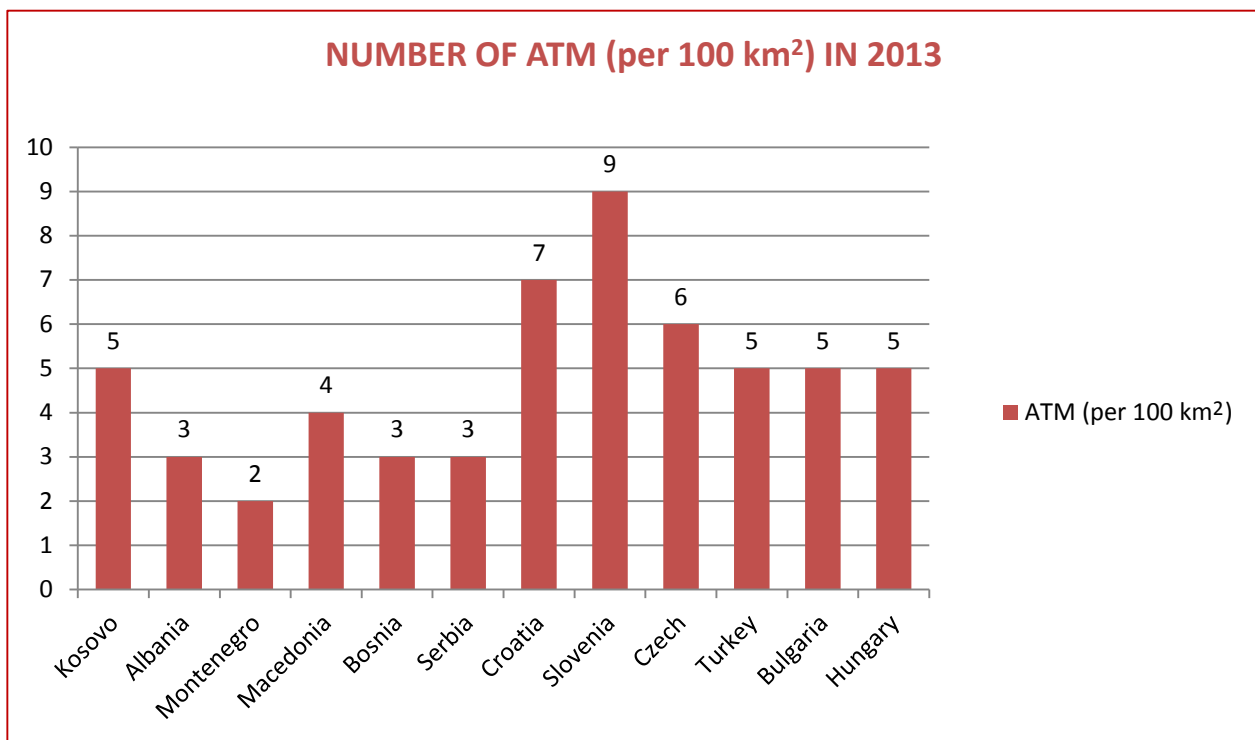


Fig. 5 | Source: CBK – Annual Report on Payment Instruments

Figure 5 shows the number of ATMs located in an area of 100 km², through which it is understandable that Kosovo is comparable to all the states taken for comparison, even surpassing half of these countries.

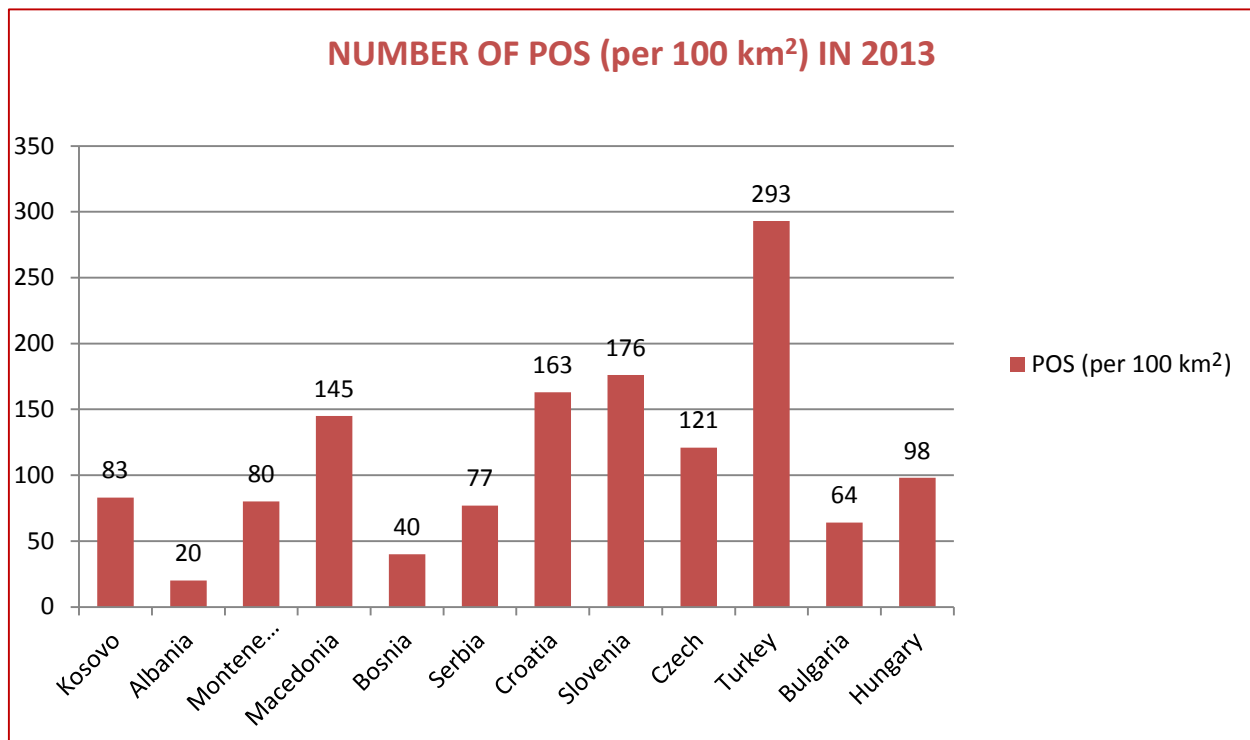


Fig. 6 | Source: CBK – Annual Report on Payment Instruments

The banking industry in Kosovo is not inferior in relation to the distribution of point of sale terminals (POS), and Figure 6 shows that Kosovo is ahead of five countries and is comparable to other countries that exceed this average. It is known that the distribution and use of POS depends very much on the development of businesses in Kosovo which agree to the deployment of terminals in their points, which means that the credit belongs to all business industries in the country.

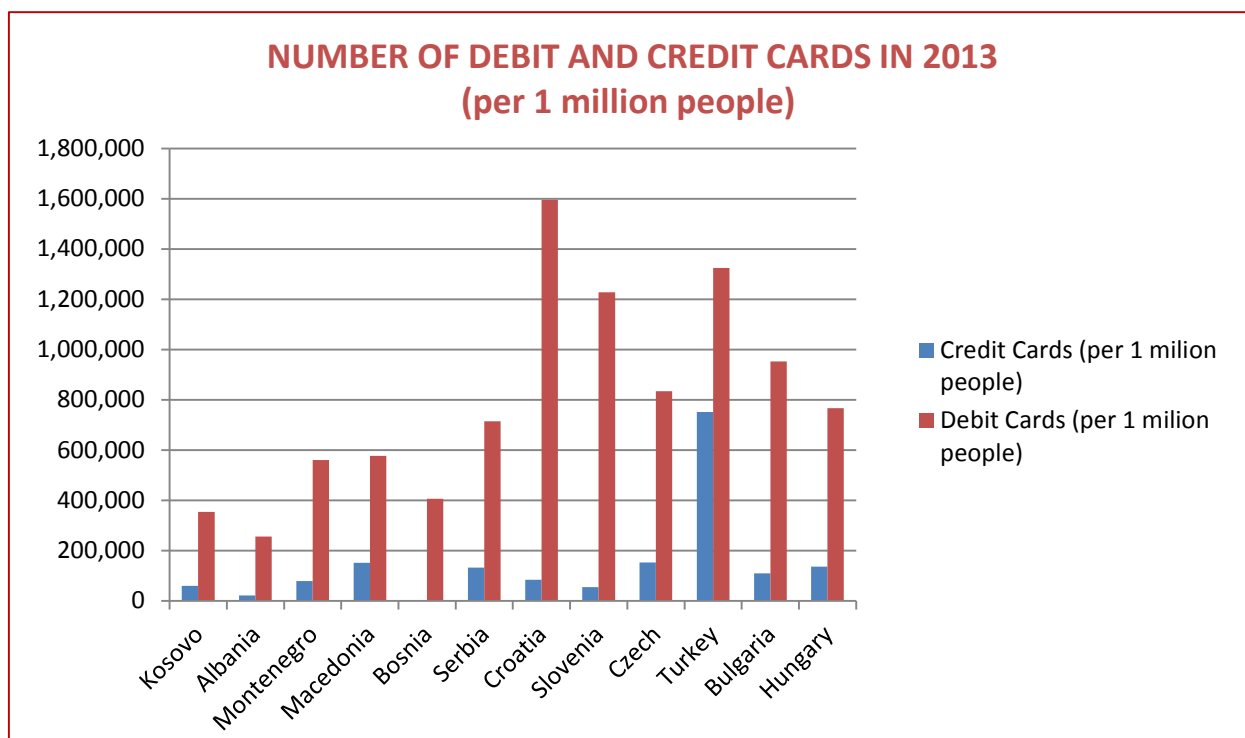


Fig. 7 | Source: CBK – Annual Report on Payment Instruments

As for the use of bank cards, Kosovo is ahead of Albania for 1 million people, while is beneath other countries that were taken into account for comparison.

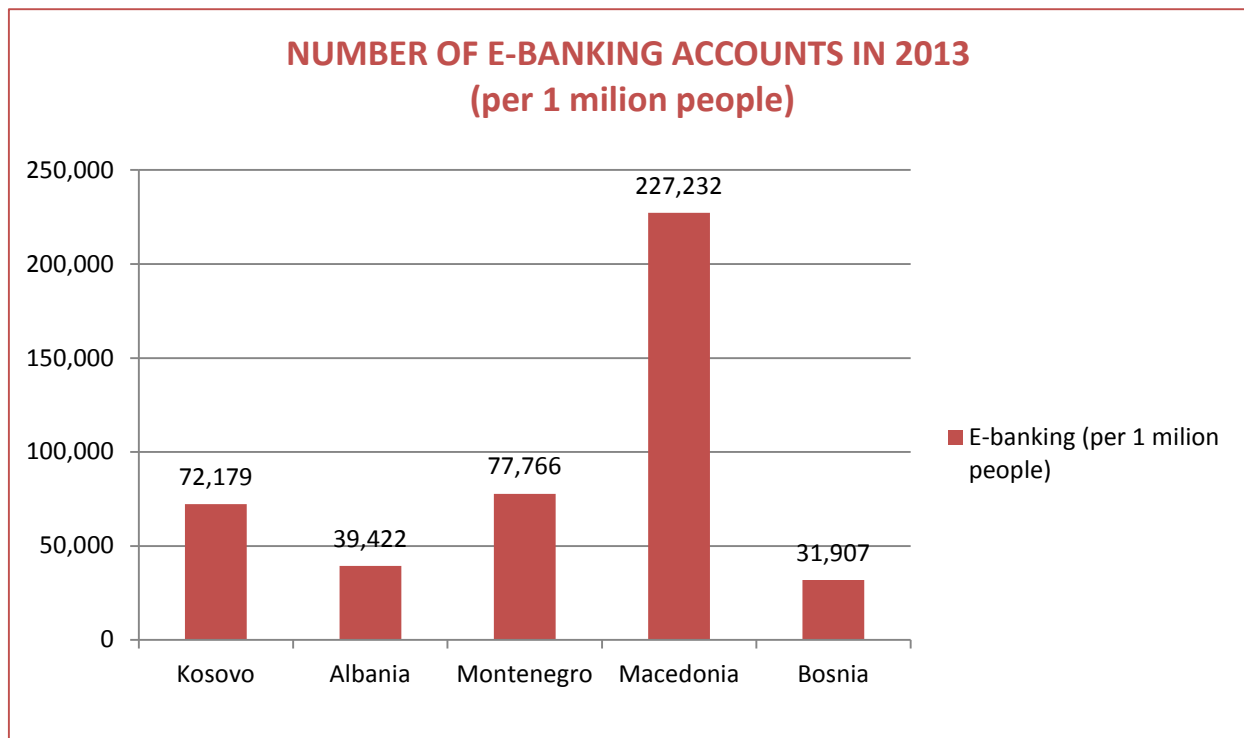


Fig. 8 | Source: CBK – Annual Report on Payment Instruments

E-banking in Kosovo is an electronic payment instrument which has marked the greatest increase and if this growth trend continues, very soon we would expect, on average to be in a very good level in comparison to countries in the region. In Figure 8 it can be seen that the number of e-banking accounts for a million people is greater than in Albania and Bosnia, while it is not far from the average of Montenegro.

Based on the data presented on the use of electronic payment instruments for different countries, we can conclude that Kosovo is in the right direction and is comparable to many of the region's banking industry infrastructure.

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PART II

BANKING INDUSTRY NEWS THAT MARKED THE MONTH OF APRIL

SOON, THE CREDIT GUARANTEE SCHEME



General International Fair “Prishtina 2015” was opened on Tuesday in Prishtina, Bërnice village. President of Kosovo Chamber of Commerce, Safet Gërxhaliu said the international fair is being organized for the 15th time in Kosovo and the number of participants is large. Meanwhile, Minister of Trade and Industry Hikmete Bajrami said the purpose of the fair is to create links between businesses in different countries and that the government will continue the support for businesses. Soon, the credit guarantee scheme will be functional and some laws will change to benefit the business, Minister Hykmete Bajrami emphasized. (Zeri, April 30th, 2015)

KOSOVO BANKING ASSOCIATION MEETS WITH CBK FOR THE IMPLEMENTATION OF THE BASEL STANDARDS

Today, on April 3rd, The Kosovo Banking Association represented by the executive director Mr. Petrit Balijsa and Legal Committee chairman Mr. Agron Krasniqi, hosted in a meeting the project team for the implementation of the Basel standards, chaired by Mr. Ralf Raab, Senior Advisor, Department of Banking Supervision at CBK. This meeting aimed to introduce the project for the Implementation of the Basel standards, which already is in full process and establish cooperative relations between KBA, Mr. Raab and his team which includes internal staff of CBK and external consultants.



The objectives of the project for the implementation of Basel standards were presented during the meeting as well as the forms of cooperation with KBA. The executive director of KBA Mr. Balijsa said for this meeting “This project has a particular value for the banking industry in Kosovo since it represents the fulfillment of international criteria for the better functioning of the banking system and further integration into the international financial arena. This project is being supported by the German organization GIZ. (Botapress, April 3rd, 2015)

ECONOMIC GROWTH OF 4.4%



Kosovo’s Minister of Economy, Avdullah Hoti announced that the Government of the Republic of Kosovo approved the Medium Term Expenditure Framework (MTEF) for the period 2016 - 2018. According to him, it sets budgetary limits and income limits for this period. “It is particularly important since it almost fully accommodates the objectives the government has for the next three years presented in the governance program, which was delivered in the Assembly of Kosovo”, said Minister of Finance Avdullah Hoti, in the press conference after the regular meeting of the Government of the Republic of Kosovo. According to the minister Avdullah Hoti, economic growth in the country based on MTEF is expected to be higher than the last 2-3 years, it is expected to reach around 4.4% on average for the next 3 years with this growing trend. (Zeri, April 30th, 2015)

KOSOVO'S NEW PROGRAM WITH IMF



During the spring meetings of the International Monetary Fund and the World Bank in Washington, Kosovo Institutions have reached an agreement in principle for a new program with the International Monetary Fund. This was confirmed during a press conference by the Finance Minister Avdullah Hoti and Governor of the Central Bank of Kosovo Bedri Hamza. According to the Minister of Finance Avdullah Hoti, this program will open opportunities for development projects in Kosovo. "Kosovo has macro fiscal stability and there is no need for the International Monetary Fund program to safeguard macro fiscal stability because we are able to maintain it, but we need the support of the Fund to ensure our credibility to international organizations towards public finances, so that we can have the opportunity to enter into international loans with the World Bank and other international financial organizations that are willing to finance Government projects", explains Hoti. (Telegrafi, April 27th, 2015)

DRAGHI: EUROZONE IS GAINING NEW MOMENTUM



On Wednesday, the European Central Bank President stated that there's "clear evidence" that its stimulus program is improving the economy of the Eurozone countries. Bank's President, Mario Draghi said that the Eurozone economy "gained a new momentum" since the end of last year and he expects the recovery to "broaden and strengthen significantly". The bank is in the initial phases of purchasing bonds worth \$1.1 billion to boost European business activity and lower unemployment reaching 11.3 percent. (Voice of America, April 16th, 2015)

"GRASPING" BANKS



International financial mechanisms and economy experts are calling upon commercial banks operating in Kosovo to increase the access to finance. According to them, as long as these are well capitalized and supervised, they should ease the terms on loans. During its two week visit in Kosovo, The International Monetary Fund had emphasized that "commercial banks in Kosovo are healthy and well supervised, but in general they should make effort increasing access to finance". Milazim Abazi, a financial expert, in a pronouncement for Radio Free Europe calls the loan criteria of banks as astringent and above all, according to him, interest norms are still high. According to the reports from Central Bank of Kosovo, effective interest norms start from 10.8 percent but this depends on the bank and the type of loan. On the other hand, Petrit Balija, Executive Director at Kosovo Banking Association, points out that commercial banks in Kosovo have had an increase in the issuance of loans during 2014. "This is a good sign that there is increased crediting. Banks as well would prefer an increase in crediting, but this is dependable on the demands by businesses, the economic development during 2015 and demand for business loans toward the banks", says Balija. (Telegrafi, April 3, 2015)

EBRD: CORRUPTION IS ONE OF THE MAIN PROBLEMS OF DOING BUSINESS IN KOSOVO



Informal economy, problems with power supply and corruptive practices have been identified as the three main challenges of doing business in Kosovo, according to an analysis of the European Bank for Reconstruction and Development (EBRD). The news was announced by the EBRD on Thursday through a press release stating that informal economy has been mentioned by business owners in Kosovo as the main challenge, consisting of 66% of the problem relating to doing business. This figure is the highest among the 30 states where the study has taken place. EBRD states that this is the fifth time that along with the World Bank, they conducted a survey named "Business Environment and Enterprise Performance" for 2013 and 2014. (Zeri, Kosova Sot, April 10th, 2015)

KOSOVO BANKING ASSOCIATION REACTS AFTER THE ACTION OF 'VETËVENDOSJE'

Kosovo Banking Association (KBA) reacted today to yesterday's action of Vetevendosje against high interest rates of banks in Kosovo. KBA emphasize that 'freedom of expression is crucial in the development of discussions and democracy in a country and we respect this principle, however it is more preferred that the complaints and dissatisfaction to be expressed in an institutional manner and addressed at adequate entities where they can be treated and replied respectively.

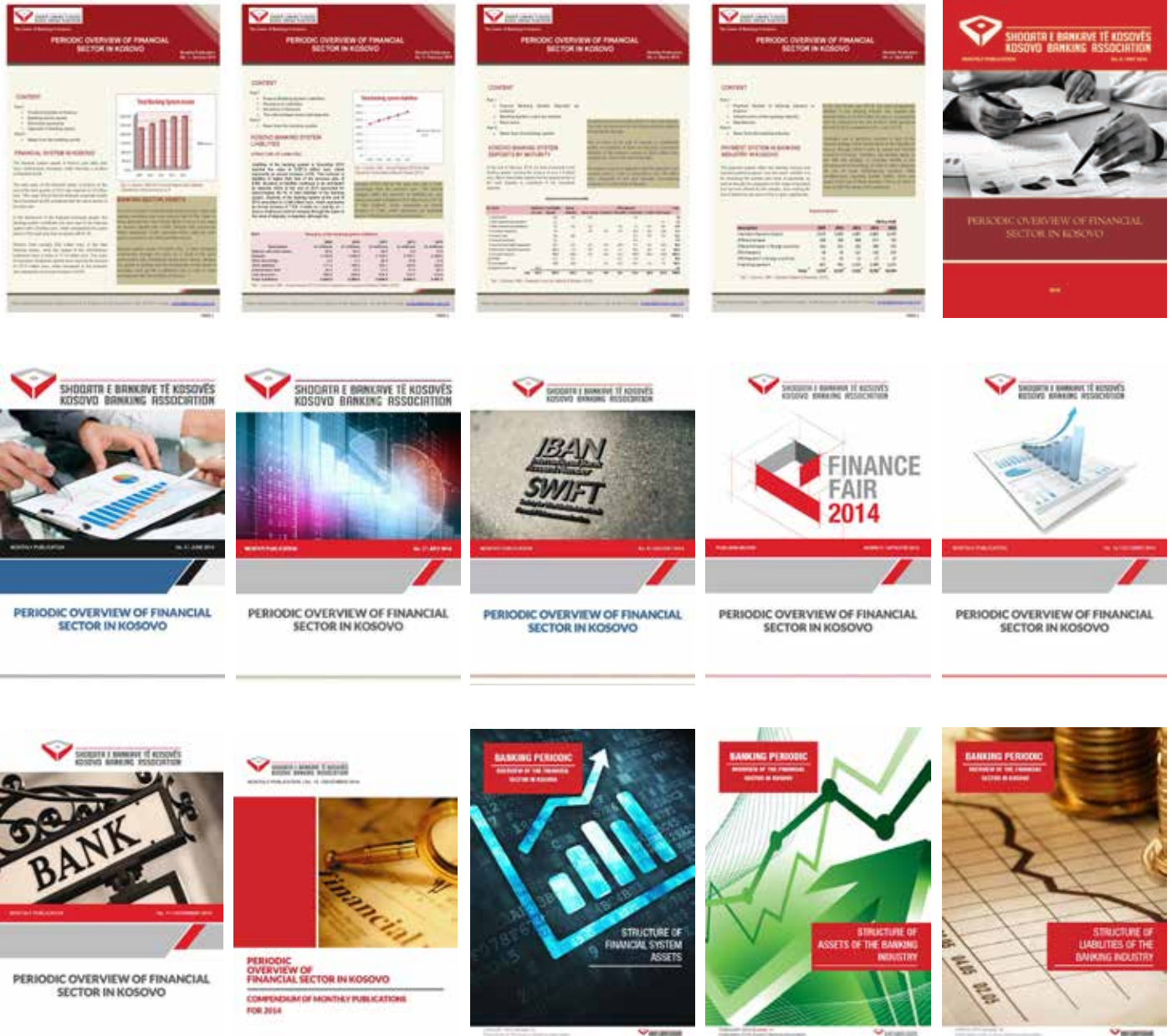
Commercial banks in Kosovo have their complaint departments while there is the department for protection of the consumer at the Central Bank of Kosovo and the Ministry of trade and Industry, as well, where a citizen can address any kind of concern or complaint. Regarding the banners displayed today outside the commercial banks of Kosovo we still do not have an official confirmation if they were put there by Vetëvendosje activists as claimed in the media. However, no matter which organization they belong, these activists have never bothered to address us for a meeting or discussion where they would be able to address their concerns and where they would receive more precise information; since from the pronouncement of these activists in the media, it is clear that they have the wrong information when citing that the average interest norm rate is 14% which in reality is 9.3% and is very close to the region. At the same time they compare our interest norms with the ones in the EU countries, knowing very well that Kosovo has yet to fulfill basic conditions for doing business as they are in the EU countries, which surely reflects on the interest norms as well, not only in Kosovo but in the Western Balkans in general.

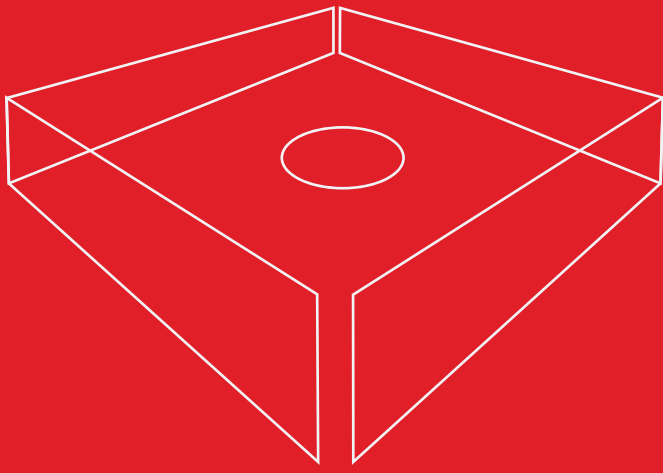
Interest norms have improved continuously in Kosovo by dropping to 30% in the last 5 years and by marking one digit norms for the first time during 2014. If this trend continues we will have a much better offer and greater crediting by commercial banks in Kosovo, in the coming years. We remain open for all organizations interested in getting more information in this direction and in discussing actual trends and challenges with which the financial sector in Kosovo is faced, it is said at the end of the reaction of KBA .

(RTK Live, April 8, 2015)

PUBLICATIONS OF THE KOSOVO BANKING ASSOCIATION

“Banking Periodic” is a monthly publication of the Kosovo Banking Association starting with its first publication in January of 2014. Monthly publications are comprised of data and general overview of the financial system in Kosovo. Each monthly publications will address specific issues of the financial system where the main focus is on the banking sector in Kosovo.
www.bankassos-kos.com.





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