

**11-13** Kosovo marks “World Savings Day”

**14** Deposits Contributing to Banking Stability

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**Balija: Financial Education, an opportunity to fight poverty**

FAQE 07

# SAVINGS FOR DEVELOPMENT

Over 2.2 billion euros are kept as savings by households in Kosovo in commercial banks. Household savings are increasing year-on-year, which, besides generating positive returns from interest on deposits, also serve for financing of credit activity by financial institutions in the country. **FAQE 03**

**Lessons for children on world savings day** **FAQE 02**



# Lessons for Children on World Savings Day

**I**n some countries around the world, World Savings Day is always a day of great enthusiasm when banks distribute “savings banks” for children for free and inspire them to set savings goals, introducing a sense of financial responsibility into their new minds. Personal finance management is a great skill for life at any age. Children who are taught to be financially responsible are generally better equipped to make better financial decisions later in life and to create good savings habits. Below are some ways to encourage your children to save starting from October 31, with some World Savings Day activities, a campaign that will bring great benefits to them.

## **ENCOURAGE YOUR CHILDREN TO HAVE A “MONEY BOX” FOR SAVINGS**

We recommend encouraging your children to use money box by putting the money in it. This will serve for multiple goals. Your kids will enjoy putting their saved money or their pocket money in their “banks”. It may be a visual stimulation for them on how much money is being collected. It will bring good habits of saving in the child’s mind. Though your child is a small candidate, you can open a savings bank account in your child’s name. Ask your children to go with them and spend some time at the bank to make a small symbolic deposit, such as a small deposit of 5 euros each month on this account. This keeps them motivated to build a good balance of their bank account, in addition to depositing money into their money box. Teach them finances

through games. Games are the best way to teach children. To teach finances you can go with the same concept by playing finance games. Games like the concept of “New Business”, a game that deals with money, will help children to have their attention on finances.

## **TEACH THEM THAT REDUCING EXPENDITURES MAKES GOALS REALIZE QUICKER**

Set goals before your child and teach them how to achieve them, if you teach them for saving purposes, they will probably learn this lesson by themselves. It’s a familiar concept and children are smart enough to understand: if I want to achieve a goal faster, I have to save more ... which means spending less on other things. It is also worthwhile to reinforce this with any discussion of spending and savings, but also talking to them about the expenses they make every time.

## **TEACH THEM THAT YOUR MONEY CAN MAKE MORE MONEY**

Teach your child that the money placed in the money box will not increase, but the money placed in the savings bank account will earn interest rate and will increase. Teach them about investments and tell them how to invest their money in specific investments and how those investments will grow over time.

## **TEACH YOUR CHILDREN WHAT IS THE BUDGET**

Teach your children what budget means, by sending them to a level that they will understand. Maybe they want to have lunch at the restaurant, two or three times

a week? Set a budget for lunch money and testify to how the lower costs will add savings. After all, the money saved is the money they earn.

Do this in a simple and easy way, so they will not grow thinking that budgets are difficult and tough (just as many of us grew up thinking). If they adopt this habit now, they will have great benefits when they grow up.

## **TEACH THEM ON THE RISKS OF DEBT**

This is probably not a lesson they can understand when they are 6, but when they are teenagers, they need to understand this concept. You need to discuss such things as: loans, credit cards and other debts.

## **TEACH THEM THAT INCREASING THEIR EARNING CAPACITY LEADS THEM CLOSER TO THEIR GOAL**

If you have saving goals, you can reduce your spending to reach them faster and you can also earn more money. They can begin learning this lesson from an early age, earning extra money. They can do it by doing a small job from time to time.

With a small imagination and many positive reinforcements, your children may soon be on track to become financially responsible and learn life lessons which they will appreciate throughout their lives. So, on October 31, while giving candy to your children, do not forget to give them some good savings tips as well.

**(MONEY EXCEL)**



# Savings for development

Over 2.2 billion euros are kept as savings by households in Kosovo in commercial banks. Household savings are increasing year-on-year, which, besides generating positive returns from interest on deposits, also serve for financing of credit activity by financial institutions in the country.

Kosovar families have over 2.2 billion euros saved, the funds they keep in ten commercial banks operating in the country. The savings of citizens, besides the increase of financial security are also essential for the financial strengthening of each country, in addition to generating positive returns from interest on deposits, as well as for the financing of credit activity by financial institutions in the country. The Central Bank of Kosovo (CBK) announces that last year's household deposits recorded an annual growth of 2.8 percent, while business deposits grew for about 13.8 percent. Total depos-

its in Kosovo's banking sector have now reached about 3.2 billion euros, which also guarantees a stable credit from banks.

#### Benefits from savings

Sokol Havolli, deputy governor of the Central Bank of Kosovo (CBK), speaking of the importance of savings says that this is in the first place an individual action to increase the financial security of individuals or families, and consequently to be protected from any blow on sources of funding, whether it is a job loss, or loss of business income.

However, according to Havolli, in addition to the aspect of individual financial security, savings in financial institutions are essential for strengthening the financial sector in each country. "Therefore, savings are also essential for the financial system in Kosovo, as in addition to generating positive returns from interest on deposits, they also serve to finance the credit activity from financial institutions in the country," says Havolli.

**FOLLOWS IN PAGE 05**

**3.2** BILLION  
EURO

IS THE GENERAL AMOUNT OF DEPOSITS IN  
KOSOVO'S BANKING SECTOR

**2.2** BILLION  
EURO 

ARE HOUSEHOLD DEPOSITS IN  
COMMERCIAL BANKS

**2.8%** INCREASE IN HOUSEHOLD  
DEPOSITS DURING  
LAST YEAR

**50%**

OF GROSS DOMESTIC PRODUCT ARE DEPOSITS, PERCENTAGE  
THAT IS EQUIVALENT TO THE COUNTRIES OF THE REGION



#### FOLLOWS FROM PAGE 03

He added that scientific evidence now clearly shows that the financial system developed in one country is the main factor in economic growth, job creation and ultimately influencing the quality or standard of living for citizens of that country.

#### HAVOLLI: BANKING SYSTEM IN THE BEST DAYS

CBK's number two finds that the local banking system is in its best days.

According to him, the growth of loans in 2017 was at the rate of 11.4%, whereas by August 2018 the growth is at the rate of 11.9%. "The current total value of loans in the market is over 2.6 billion euros. On the other hand, deposits have now reached 3.2 billion euros and their growth rate was 6.8% in 2017 and 6.4% by August 2018," says Havolli.

He added that the loans of the banking system finance economic activities, which generate new jobs and business advancement in the country. "Also, through the increase of deposits in the local banking system it is also implied increasing the possibility of financing from the banking system for citizens for whatever needs they may have, whether for consumption or their investments, including residential

areas". In order to expand financial intermediation, now in the financial system of Kosovo the Credit Guarantee Fund is also functional, which has enabled the financial industry to have additional instruments for security of funding. Also, the Deposit Guarantee Fund is functional, which creates enough prerequisites for citizens to further have motives to increase deposits, and on the other hand, the financial system to deepen the positive impact in the economy.

#### DEPOSITS, 50 PERCENT OF GROSS DOMESTIC PRODUCT

According to Central Bank officials, the deposits are of different terms, depending on how the citizens are concerned about their time deposit account. "However, the vast majority belong to the category of transferable deposits, but this does not present any concern for the continued functioning of the financial system,

since one of the specialties of the banking industry is precisely the adjustment of eventual

maturity of deposits," says Deputy Governor Havolli.

By making comparisons with the countries of the region, he says that in general, financial intermediation in Kosovo can be concluded that it is for a lower dose compared to the countries of the region, but that this indicator, as he says, is more current in terms of loans. "Regarding deposits, data show that deposits in Kosovo as a percentage of Gross Domestic

Product are close to 50%, a figure which is considered to be approaching the figures of the countries of the region".

#### MOST ENTERPRISES HAVE INCREASED THEIR DEPOSITS

According to the Central Bank of Kosovo, in 2017 deposits increased by 6.8 percent more than the

**"HOUSEHOLD ECONOMIES ARE UNABLE TO DO INVESTMENTS IN RESIDENCE RENOVATION, PURCHASE OF PROPERTY, OR IN SECURING QUALITY EDUCATION FOR CHILDREN WITHOUT CREATING A BASIS OF SAVINGS" STATED BALIJA**

The vast majority belong to the category of transferable deposits, but this does not present any concern for the continued functioning of the financial system, as one of the specialties of the banking industry is precisely the adjustment of the eventual discrepancy of the maturity of deposits, “said Deputy Governor Havolli

previous year. Enterprise deposits were 13.8 percent higher compared to last year. “The more pronounced increase recorded the transferable deposits, but unlike the households, increases were also registered in the companies’ savings deposits. The average interest rate for enterprises is higher by 1.7 percent, compared to households at a rate of 1 percent, states the CBK Financial Stability Report published in September 2018, adding that the deposit stock of households reached to 2.2 billion euros. “Most of them were transferable deposits (38.4 percent), which with their annual growth of 6.8 percent contributed to the overall growth of households’ deposits,” said the report.

#### **EDUCATION ON THE IMPORTANCE OF SAVINGS**

Within CBK’s financial education programs, public awareness on the importance of savings is also a part of these programs and it is the goal we aim to achieve.

According to Havolli, in addition to economic impact, saving, especially in banking system instruments, is positive for citizens because it can be considered as an investment, but above all, security in the context of any economic shock, such as loss of employment, or business decline and others.

However, according to him, savings and deposits are good ways for citizens to protect themselves from any physical damage that can be caused to their property stored in banknotes, but also to other risks, such as physical loss of money, theft or any other danger that citizens may face. Also, depositing funds in the financial system ensures the citizens that their property is legitimately and uncontested.

#### **BALIJA: CULTURE OF SAVINGS, VITAL FOR A BRIGHTER FUTURE**

Kosovo Banking Association Executive Director Petrit Balija says it is almost impossible for a household or state economy to develop only on the basis of consumption, without any investment. Whereas, investment prerequisites, according to him, are savings. “Households are unable to make investments in residential renovations, real estate purchase, or even providing quality education for children without creating a savings base,” said Balija.

He added that in addition to the incomes they generate, households can achieve their goals even through receiving bank loans.

“But even in order to get loans in many cases it is required that part of the investment be made by the borrower by his/her means. It means that savings, as mentioned above, are a prerequisite for investment,” explained Balija.

According to him, similar to the case of the economic development of a country

THE DEPOSITS OF BUSINESSES HAVE INCREASED FOR

**13.8 %**

OVER THE PAST YEAR.

where banks’ loans to businesses to expand their activity and increase employment have the basis for deposits of the citizens of that country. “Hence, the correlation can be created so that the more savings a country’s citizens have, the more the country’s economy can be funded.”

This concept, according to the director of the Kosovo Banking Association, applies also to veritable investments, which are made due to the savings the government is able to make in other areas such as wages and salaries, or other administrative expenses, which savings then transferred and allocated to capital investments creating progress for the country. “The savings culture can be said to be vital for a better future for everyone,” he said.

#### **MAZREKU: CREATION OF CULTURE OF SAVINGS TO BE A PART OF THE CURRICULUM OF THE EDUCATION SYSTEM**

Ibish Mazreku, vice-rector at the Public University “Haxhi Zeka” in Peja, says that marking the World Savings Day is also a symbolic activity only in remembrance of this day.

“While creating a culture of savings from our citizens is still to be desired. The creation of this culture goes hand in hand with the financial education of citizens. The creation of culture for savings should be part of the curriculum of the Kosovo’s education system, especially in the pre-university education levels. This culture has been much more pronounced in the past than it is now.

Citizens’ awareness on the importance of savings is very important for individuals, families, and the economy as a whole, “said Mazreku.

According to him, the effect of household savings will be very important in improving their well-being in one hand and on the other hand, these savings if included into the financial system ie in the banking sector cre-

“Creating a culture of savings from our citizens is still to be desired. The creation of this culture goes hand in hand with the financial education of citizens. Creating a savings culture should be part of the curriculum of Kosovo’s education system, especially in the pre-university education levels. This culture has been much more pronounced in the past than it is now. Awareness of citizens about the importance of savings is very important for individuals, families, and the economy as a whole, “said Mazreku.

ate funds that can be oriented towards other important economic activities that create new investments, vacancies and so on.

“Savings as free means through the financial system are sent to individuals or businesses that need investment funds. When talking about savings, we must take into account all the savings that are kept in the financial system of a country, because by holding these savings in the financial system they can be used for different investments, both individual and business ones”, Professor Mazreku added.

According to him, the tradition of marking this day is almost a hundred years old and shows the importance given by developed countries to this day by organizing various events related to financial education.

“Developed states, from the very first steps at school, educate their children on how to save. The tradition and the culture of saving from an early age creates a culture that is forwarded even in mature age, “he said.



## BALIJA: FINANCIAL EDUCATION, AN OPPORTUNITY TO FIGHT POVERTY

The Executive Director of the Kosovo Banking Association, Petrit Baliija, emphasized that one of the best opportunities to fight poverty and increase the economic wellbeing of citizens is financial education, which according to him, is aimed for new generations to be better prepared in managing their personal finances and better decision making for households

**W**ithin a short period of time, Kosovo has managed to build a genuine financial and banking system, which continues to contribute to economic growth of the country. But the goal of the newest state in Europe should be to increase the socio-economic welfare of citizens and to fight poverty. This was stated by the Executive Director of the Kosovo Banking Association, Petrit Baliija, adding that one of the best opportunities to fight poverty and increase the economic wellbeing of citizens is financial education, which aims for the new

generations to be more prepared for managing their personal finances and for better decision making for households.

According to him, it is almost impossible for a household and a state to develop only on the basis of consumption, without having investments, whereas the preconditions for investments are the savings.

The Executive Director of the Kosovo Banking Association, Petrit Baliija, states that in the literature on financial education, it is recommended on average for a family to save 10% of the total income under good economic

circumstances and 5% in more difficult financial circumstances.

**The last day of October, respectively October 31, is the International Savings Day, which is annually marked in Kosovo as well. How does this day find Kosovo almost two decades after the start of banking sector in the country?**

**Baliija:** Financial system development is extremely important for the stability and progress of a country. Kosovo has managed to build a genuine financial and banking system within a relatively short period of time,

# 10%

of total income is recommended for a family to save in better economic conditions

# 5%

of total income is recommended for a family to save in more difficult economic circumstances.

which has contributed and continues to contribute to Kosovo's economic growth. In this October 31, we can say that Kosovo has many challenges ahead of itself, but there are also good indicators related to the financial system, which shows a good and constant increase of bank deposits, exceeding the amount of 3 billion euro in 2018. Apart from the stability of bank deposits, Kosovo has also built a highly performing credit portfolio, where non-performing loans are less than 3% of the overall portfolio. These fundamental aspects of financial system development make it sustainable in the medium term and create prospects for long-term aspects. On the other hand, the payment system in Kosovo has developed quite well, in addition to the needs of citizens and businesses to make fast and secure payments and transactions, both domestically and internationally.

Despite these successes, what Kosovo should aim for is the increase of the socio-economic welfare and the reduction of poverty in the country. One of the best opportunities to fight poverty and increase the economic wellbeing of citizens is financial education, which aims to make new generations more prepared in managing their personal finances and better decision making of households. It is precisely the financial education that is the objective of the World Savings Day, which is also marked by the banking sector in Kosovo, through activities organized by the Kosovo Banking Association and the Central Bank of Kosovo on a continuous basis.

**It is estimated that Kosovo is a consumption society. Have new generations started to create a savings culture?**

**Balija:** The most effective way to reform a society is to create new skills and knowledge for new generations. Kosovo is characterized by a very young age population, which has tremendous potential to be competitive within European societies. Young people in Kosovo already have greater access to information and are very capable of using modern technology to communicate in a few foreign languages. However, one of the unwanted phenomena of a country's economic development is often hyper-consumption, or excessive consumption of goods and services, which affects negatively in the opportunities to save.

If in the past children of an entire fam-

ily have completed elementary school with a bookcase, which they have often transferred from the first child to other children, now this is not impossible and every child wants to have some book bags and replace them almost every year. The main reasons for this are the social pressures that come as a result of the economic development of a country and the growth of the opportunities to consume. Consequently, in these circumstances, households often exceed their financial possibilities and sacrifice potential savings in pursuit of meeting the many needs created in these severe social pressures for hyper-consumption.

#### **SAVINGS, PRECONDITION ON INVESTMENTS**

**Why is it necessary for Kosovo's citizens to create a savings culture as an expression of a better future for everybody, and apart from the individual benefits, what does Kosovo benefit from the savings of citizens, namely the economy of the country?**

**Balija:** It is almost impossible for a household or state to develop only on the basis of consumption, without any investment. While, investment precondition are savings. Households are unable to make investments in residential renovations, real estate purchases, or even in providing quality education to children without creating a savings base.

Of course, in addition to the incomes they generate, they can achieve their goals by getting a loan at the bank, but also to borrow in many cases it is required that a part of the borrower's investment be made by his/her own means. It means that the terms, as mentioned above, are a precondition for investment. Similarly, it is also in the case of a country's economic development where banks' loans to businesses to expand their operations and increase employment are the basis for the deposits of the citizens of that country.

Hence, the correlation can be created so that the more savings a country's citizens have, the more the country's economy can be funded.

Such a concept applies to government investments, which are made due to the savings the government is able to make in other areas such as wages and salaries or other administrative expenses, which savings are then transferred and allocated for capital investment by creating progress for the country. The

savings culture can be said to be vital to a better future for everyone.

**Citizens' deposits in Kosovo's banking system have exceeded the 3 billion euro figure, increasing by at least over 5% year-on-year. Is this evidence of a new habit of citizens to spare and at the same time keep their trust in the banking system?**

**Balija:** The banking sector has managed to create high credibility for citizens, thanks to the creation of a well-balanced regulatory and supervision by the Central Bank of Kosovo, and thanks to the commitment of commercial banks to provide quality banking services in trust for citizens and businesses in Kosovo. Banks have already established close partnerships with Kosovo businesses and have advanced the way of doing business in Kosovo. Likewise, banking services have facilitated the lives of citizens by providing quality and safe services with a high professional level.

Deposits continue to grow at a good pace, but in the near future Kosovo's economy will need even more deposits to meet lending needs in the country. Therefore, the continued growth of bank deposits in the country will be very beneficial to our economy.

**What are the best experiences of citizens from Western states about the importance of savings?**

**Balija:** If savings are a precondition for investing, we can say that revenue generation is a precondition for savings.

With savings, we mean the difference between generating income and spending, which represents the percentage savings from total income.

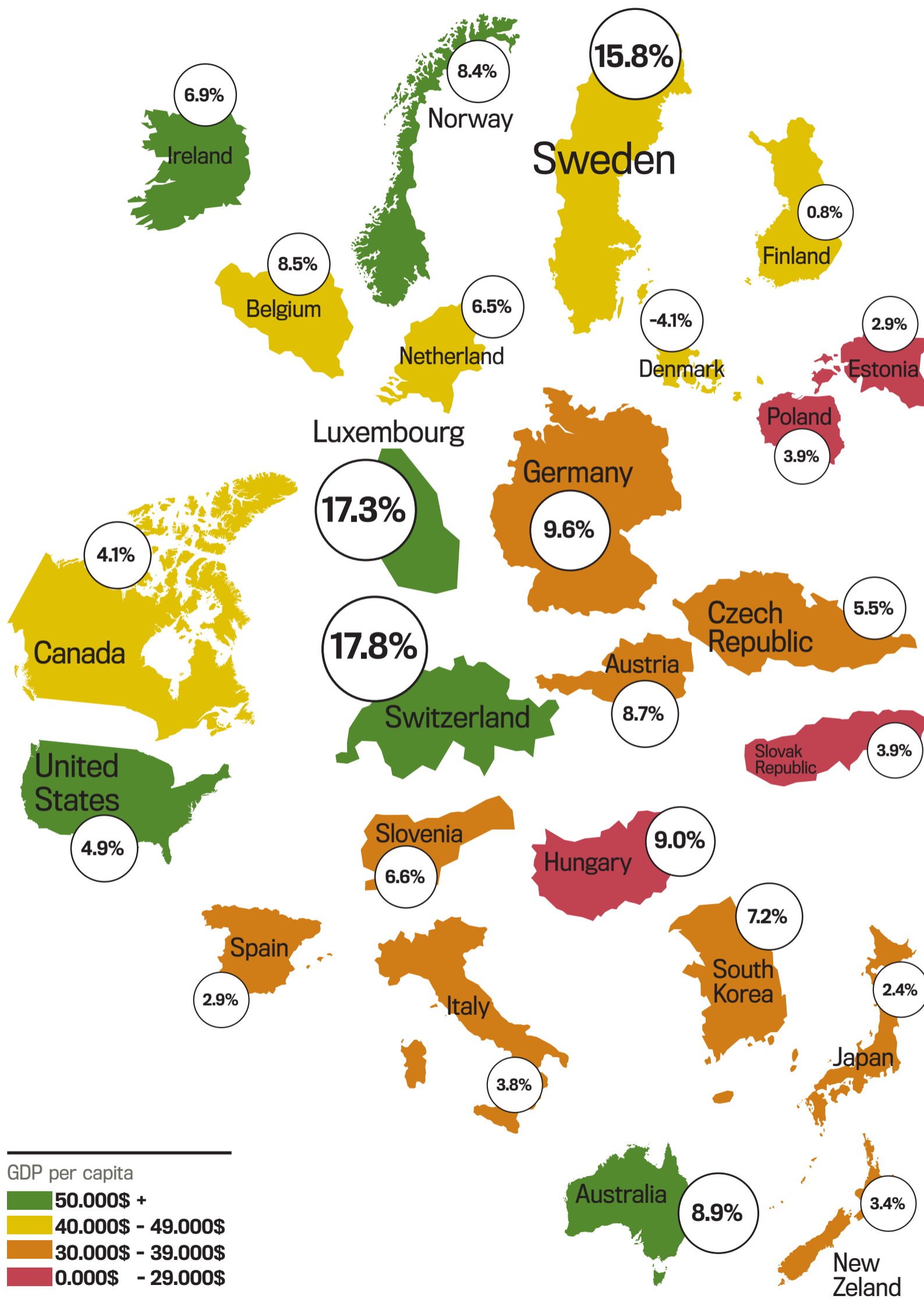
This means that higher-income countries also achieve higher savings, but not necessarily because consumption is often very pronounced in highly-developed countries. According to Global Finance Magazine, Switzerland (17.8%), Luxembourg (17.3%) and Sweden (15.8%) are characterized as European countries with the highest percentage of household savings. On the other hand, it is interesting that a very advanced and developed country like the United States has a savings rate of only 4.9%.

**FOLLOWS IN PAGE 10**



INTERVIEW

# Household saving rates around the world



Overall, the region and Europe in recent years are characterized by low interest rates on deposits. However, it is true that Kosovo has continued to offer the highest deposit rates in comparison with the countries of the region. This is a measure applied by banks, which, however, stimulates the growth of deposits in the banking system.



#### **FOLLOWS FROM PAGE 08**

In financial education literature, it is recommended that a family saves 10% of total income under better economic conditions, and 5% in more difficult financial circumstances. To increase savings discipline, banks also offer automated free transfers from the current account to the savings account, which is recommended to be executed immediately after receiving the salary from the employer in order to first save and then spend.

**It is reported that thousands of children's accounts are open in the Kosovo banking system. Is this a proof of starting a better budgeting plan for Kosovar families?**

**Balija:** In the last few years the possibility has increased, but also the parents' information about opening bank accounts for their children. Banks offer such accounts, usually free of charge, which provide a good savings opportunity. Given that the time factor is very important for increasing savings, the bank accounts of children enable time to go in favor of creating a fund for their needs in the age of undergraduate and postgraduate education or even for other needs that they may have in the future.

Of course, there are many families who have the information and the desire but do not have

the opportunity to contribute to these accounts and this remains a challenge for Kosovo to increase the economic well-being for everyone through a more dynamic economic growth in the country.

#### **FIGHTING OF HIGHLY INFORMAL BANKING DEPOSITS**

**Is there room to further increase deposits in the banking system if the relevant institutions are more seriously fighting the informal economy?**

**Balija:** It is considered that the degree of informality of a country is related to the degree of money outside the financial system. Starting from this, Kosovo still has high informality and of course that any reduction of informality would positively affect the growth of deposits in the banking system. This would also contribute to the growth of the banking sector's financing capacities. One of the ways that we as a banking sector have promised to combat informality is the reduction of cash in the economy and the growth of electronic payments, respectively through greater use of bank cards and e-banking services.

**Kosovo is among the countries with the highest interest rates on deposits in the region. Has this affected in the increase in de-**

#### **posits from year to year?**

**Balija:** Generally the region and Europe in the latest years are characterized by lower deposit rates. However, it is true that Kosovo has continued to offer the highest deposit rates in comparison with the countries of the region. This is a measure applied by banks, which, however, stimulates the growth of deposits in the banking system.

#### **WESTERN COUNTRIES ATTACH GREAT IMPORTANCE TO FINANCIAL EDUCATION**

**How to make financial education of new generations and how Western countries operate towards this direction?**

**Balija:** Western countries attach great importance to financial education and have advanced programs and national financial education strategies. In this regard, the banking sector in Kosovo has been working together with the Central Bank of Kosovo, where a considerable number of activities are being organized annually. What remains for the future is to draft a national financial education strategy, in which besides the CBK and the banking sector, the Ministry of Education and other relevant institutions will also be involved, which have an impact on educational policies of the country.



# KOSOVO MARKS “WORLD SAVINGS DAY”

In some of the activities organized by the Kosovo Banking Association, as well as the Central Bank of Kosovo (CBK), the “World Savings Day” was marked on October 31. Children who have been part of these activities have shown to the associates of the banking system the lessons they receive from family members to save.

By joining the worldwide activity, Kosovo Banking Association through its socio-educational activities with children has marked the “World Savings Day”.

With the motto “Wise act today,” in the Primary School “Qamil Batalli” in Pristina, the Kosovo Banking Association made the opening of the World Savings Day. In his inaugural speech, the school director, Liridon Maliqi, addressed the students by encouraging them to save. While, in his speech, the director of the Kosovo Banking Association,

Petrit Baliija, stressed the importance of financial education for creating a well-being society.

### **BALIJA ENCOURAGED CHILDREN TO START SAVING**

Baliija encouraged children to start saving, not just money but also the environment, school equipments, etc.

The Savings Day has begun to be noted many years ago in Milan Italy, and aimed to increase the awareness of the population about the importance of saving and managing money.

Financial education is extremely important to everyone, regardless of age.

On the other hand, it is estimated that getting a financial education from a young age is a great advantage.

Given the importance of financial education, the Kosovo Banking Association, within its social responsibility activities, organizes such activities in order to create a saving culture of resources that we have available.

Financial education is extremely important to everyone, regardless of age. On the other hand, it is estimated that getting a financial education from a young age is a great advantage.

DIRECTOR OF THE KOSOVO BANKING ASSOCIATION  
**PETRIT BALIJA**

FOLLOWS IN PAGE 12-13



#### **FOLLOWS FROM PAGE 11**

The main goal is to empower younger generations to get economic-financial knowledge from the banking system experts and consequently to be accountable to their finances, while saving for their plans in the future. The role of the banking sector to assist the financial education of younger generations is extremely important, thus contributing to the creation of a society that has good knowledge on money, money management and personal finance.

#### **THE BOOK ON FINANCIAL EDUCATION WAS DISTRIBUTED TO CHILDREN**

In addition to the lecture at the Primary School “Qamil Batalli”, the Kosovo Banking Association has distributed the book on financial education and school materials for the pupils of the Primary School “Dituria” in Shkabaj, as well as students of the organization “The Ideas Partnership” in Fushe Kosove. This activity is organized by the Kosovo Banking Association, with the support of the member banks: Banka Ekonomike, Banka Kombëtare Tregtare, Banka për Biznes, Is-Bank, NLB Prishtina, ProCredit Bank, Raif-

feisen Bank, TEB Bank and Ziraat Bank.

Children are advised on how to save money “Never spend your money before you earn them.” This, as well as many other texts and articles written by the elementary school children, are exhibited at the premises of the Central Bank of Kosovo on October 31, this year, on the World Savings Day. Children have told Central Bank officials of Kosovo about the forms they receive money from their parents or relatives, while the officials have advised children on how to save them in order to use them at times when they need them the most.

Dafina is one of the fifth grade students of “Pavarësia” school in Prishtina. She together with her friends and classmates visited the premises of CBK. She says that she has learned how to save money from her teacher, but also from her parents.

“I try to save as much as I can the money that my parents give me, or even my relatives, so that I can spend them at a time when I need them the most. The teacher has taught me this way, but also my family at home,” she says.

Other students during the conversation

with Shkëndija Himaj, CBK General Coordinator, as well as other Central Bank officials of Kosovo, presented their opinions on the way of earning and then saving money, where the majority of them have shown that they are sufficiently informed.

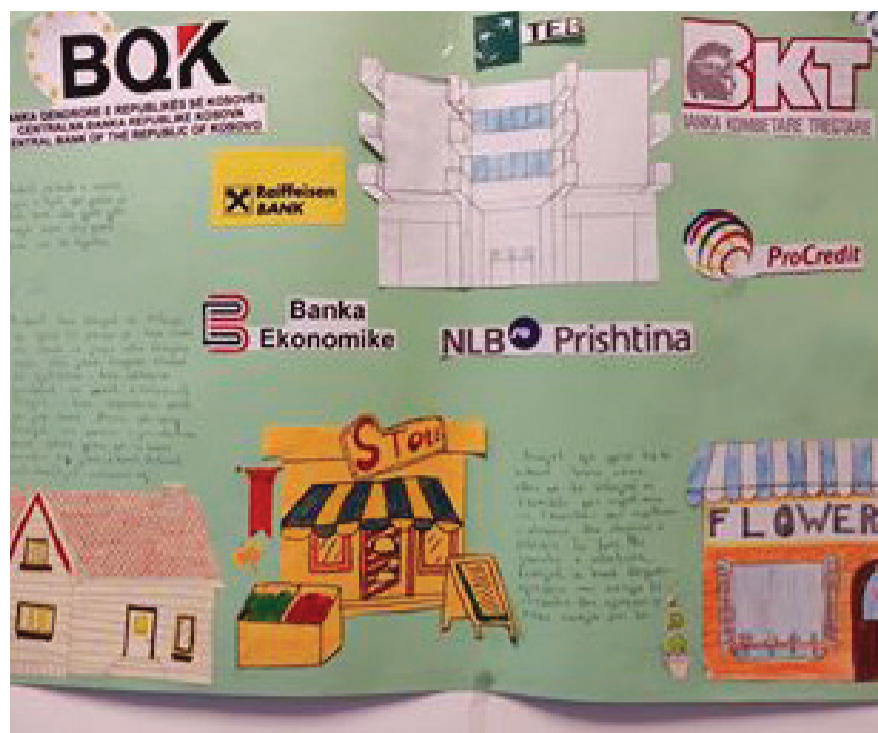
Some students have shown in a comic way that they go and get the money at ATMs, and others say that before you get them, they should be earned by parents.

“Before you get them, you should first have them. Money is gained more by parents, so we have to be very careful about the way of spending, but also the way of saving,” one of the students said during a conversation with the officials of the Central Bank of Kosovo.

#### **HIMAJ: WE ARE MAKING MAXIMUM EFFORTS TO ADVANCE FINANCIAL EDUCATION**

On the other hand, Shkëndije Himaj, Coordinator for General Functions in CBK, explained to them the importance of savings and the impact they have not only on their personal life but also on the country’s economy in general.

“We in CBK, especially in recent years, are making the maximum efforts to advance financial education.



We consider that financial education is important to develop from a young age because then decisions taken over the long term deal with full knowledge," said Himaj.

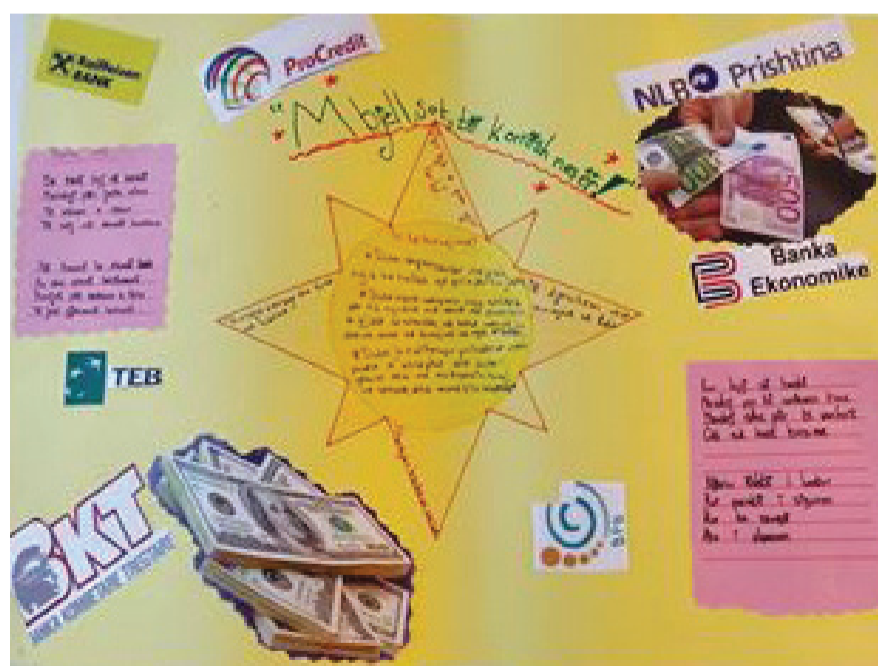
According to her, many banks in Kosovo offer savings opportunities for children, these accounts that are done under the care of their parents.

Himaj has said that if you save small amounts today, which may look few, but over the years they can become large amounts and serve for great purposes.

"I want to share with you 3 elements. To share with your friends all the information's you receive from CBK.

The second element is that you help us to design financial education programs. The third message is the weight of savings you make today and the impact that those savings can have not only in your private life, but also for the economy of the country," she said.

The Central Bank of Kosovo through a presentation and discussion with children have jointly demonstrated the role and importance of money. Then the students through drawings have designed their idea on savings.



# CONTRIBUTING

The main source of financing in the banking sector activities continues to be deposits, which amounted to a total value of about 3.2 billion euros and recorded an annual growth of 6.8 percent.

According to the Financial Stability Report published by the Central Bank of Kosovo (CBK), in September of this year, in the stability on the growth of deposits, household deposits have mainly contributed. At the same time, house-

hold deposits are considered as the most stable source of financing in relation to other financing channels and are an important contributor to the stability of the banking sector.

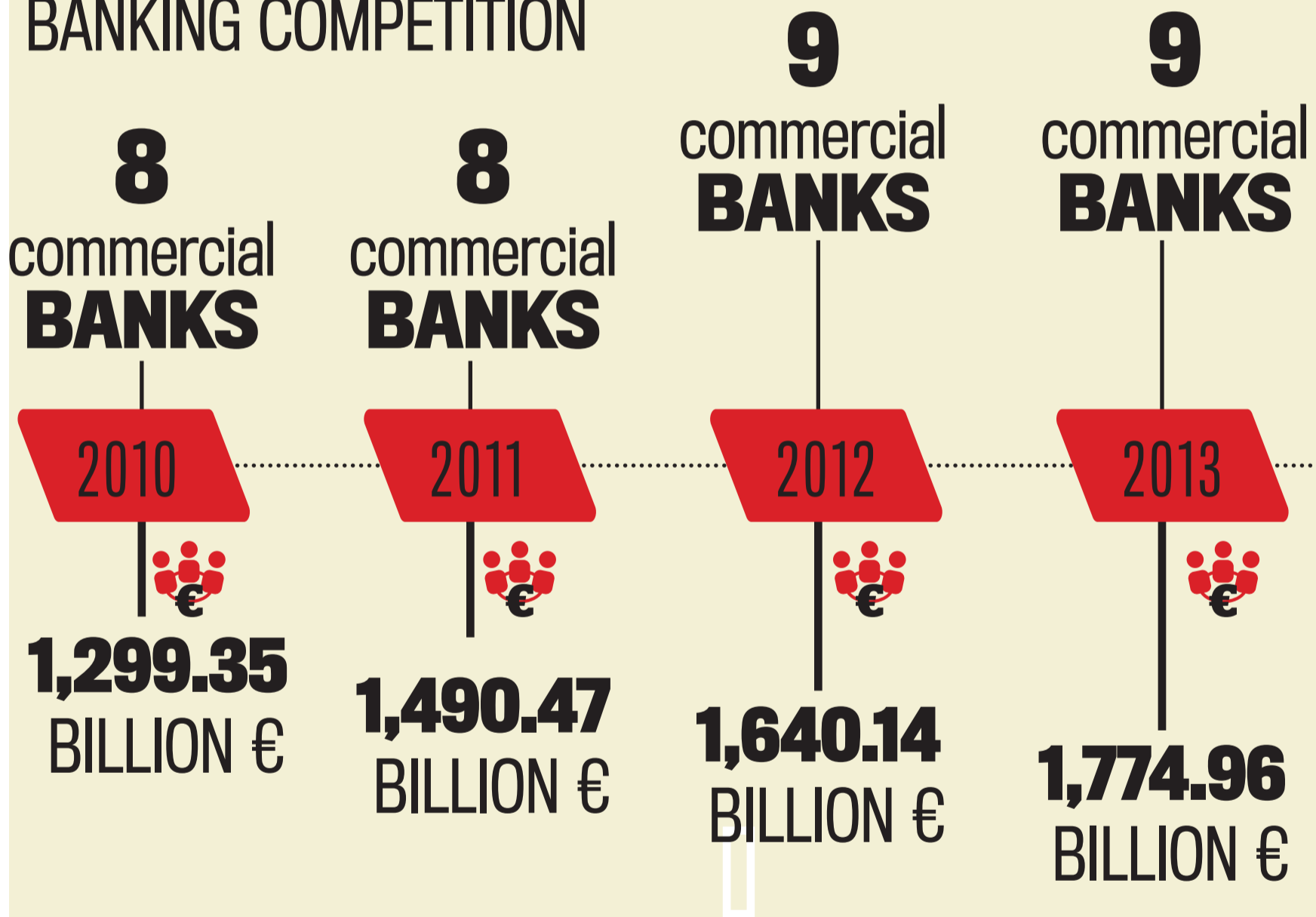
The banking sector also continues to maintain a satisfactory liquidity position. The main source of financing of the activity of most banks are deposits, which at a sector level exceed loans by 124.5 percent.

Eight years ago, respectively in 2010, accord-

ing to the Central Bank of Kosovo statistics, the total amount of households deposits was about 1.3 billion euros, while eight years later they reached about 2.2 billion euros. While the total amount of deposits in the banking sector, also including business deposits, has reached about 3.2 billion euros.

All deposits are distributed in ten commercial banks, which operate in the Kosovo market.

## BANKING COMPETITION



## GROWTH OF HOUSEHOLD DEPOSITS

# DEPOSITS

**10**  
commercial  
**BANKS**

**10**  
commercial  
**BANKS**

**10**  
commercial  
**BANKS**

**10**  
commercial  
**BANKS**

2014

2015

2016

2017



**1,774.96**  
BILLION €

**1,965.80**  
BILLION €

**2,122.26**  
BILLION €

**2,170.67**  
BILLION €



# Kosovo Banking Association informs businesses about cyber security

In the framework of the World Cyber Security Month, the Kosovo Banking Association has informed businesses and citizens on some of the recommendations on the raising of cyber security.

It is understandable that with the development of information technology and digital services, protection from cyberattacks is becoming more and more important.

Cyberattacks are a global phenomenon from which neither Kosovo can be spared, in particular they affect businesses and institutions.

Fraud through computer systems can cause significant damage, so the Kosovo Banking Association presents some recommendations to businesses so that they are better protected from cyberattacks.

To increase cyber security, we recommend that businesses and organizations take the following measures:

- Provide computer systems with antivirus - it is recommended that you keep your operating system up to date with the latest updates, also have AntiVirus installed and keep it updated on a regular basis. Similarly, keep other applications such as browsers (Explorer, Firefox, Chrome) up to date;
- Avoid suspicious emails or emails where the sender is not known. Even

if you received an email from a trusted source but you were not waiting for that e-mail, it is recommended that you contact the sender first and ask if the sender really sent you the e-mail. This should be done because it may happen that the sender's e-mail has been compromised and the fraudsters / hackers use that e-mail to deceive others;

- Do not click the link that comes in your e-mail; write the web address of the institution you want to visit online at your 'browser' address;
- Do not open the attached document (s) that is sent by unknown senders or that contain any folders you do not expect;
- You must be suspicious of the person who has asked you sensitive information. Do not send your personal information, in particular your username, password and credit card information via email, social media messages (Facebook, etc.). Legal businesses, especially banks, will not require users to send their personal and sensitive information through these ways.
- Do not make banking transactions on computers you do not trust. Do not

use Wi-Fi (public Internet connection) when doing any financial issues. Use secure networks, Wi-Fi or 3G networks for any secure transaction such as e-banking and online card transactions;

- Do not download applications from any media other than the application markets provided by your mobile phone device;
- Nowadays, it is very important that, to execute payments, the details of the beneficiary's bank are accepted in the safest way, in order to avoid the risk of falsified payments. In this context, businesses must check and verify supplier payables and also have to obtain the original invoice before the payment execution. These are the main business responsibilities.
- Last but not least, in order to reach you, make sure that your phone and e-mail information stored in the banking system are always up to date.

In conclusion, we encourage you if you eventually encounter something similar or you are aware that attempts are being made, report the case to the Kosovo Police and contact the Cybercrime Unit.

