

15 Deposits reach a value
of 3.36 billion euro

11 Commercial banks
robberies, preventive
measures are taken

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**Financial education
brings multiple
benefits**

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DEVELOPMENT THROUGH FINANCIAL EDUCATION

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KOSOVO BANKING ASSOCIATION SELECTS THE SCHOOLS THAT WILL BENEFIT FROM THE PROGRAM OF GLOBAL MONEY WEEK 2019 - “LEARN, SAVE, EARN”

The Kosovo Banking Association within its educational-financial activities will organise the program of Global Money Week 2019, under the motto “LEARN, SAVE, EARN”, as from 25th of March will distribute packages with education materials for children.

From March 25th, the Kosovo Banking Association will distribute packages with educational materials for children in eight (8) Kosovo municipalities, including Prishtina, Ferizaj, Gjakova, Mitrovica, Peja, Istog, Podujeva and Vushtrri. In these eight (8) municipalities are selected the elementary schools, where classes will be held in 16 classrooms, for fourth and fifth grade students, with a participation of 1440 students.

Chief Executive of Kosovo Banking Association, Mr. Petrit Balijsa, said that “With these activities, the Kosovo Banking Association intends to engage children and youth to learn more about finances, including savings, money management, personal finance management, etc.

These activities are supported and financed

by commercial banks of Kosovo, with the aim to strengthen the society through financial education.”

During this week, children will have various activities, such as filling out savings books, handiwork and drawings, all in relation to money and savings. The Kosovo Banking Association has prepared guidelines for teachers in order for them to implement the educational package. Students will work on savings book, through which they will express their ideas about the importance of money management, their savings planning as well as money management for the future. A part of education package is also a donation of expendable material for children, such as notebooks, pens and erasers that can

also be used for general educational needs.

Within financial education and the field of savings, in order of raising the children’s awareness, students and youth in general, each year, in 169 countries around the world is organised the well-known “Global Money Week” campaign. It will be held this week between 25th and 31st of March with the motto “Learn, Save, Earn”. The main purpose of marking this week is the empowerment of new generations and raising the awareness about personal finance.

The organisation “Youth, children and international finances” implements these activities around the world, where the Kosovo Banking Association has been a member for several years now.



Development through financial education

According to the Organization for Economic Co-operation and Development (OECD) for emerging economies, including Kosovo, financially educated consumers can help the financial sector to make an effective contribution to real economic growth and reduction of poverty

After the global financial crisis in 2008, along with other countries, the need for advancing financial education has taken a greater attention in Kosovo as well. This is due to the fact that financial education offers knowledge to the citizens so they can make the right economic and financial decisions, either as an individual or as a business, for a much better management of personal finances and to enable them to evaluate the

decision made in relation to the financial products and services, provided by the financial sector. According to the Organization for Economic Co-operation and Development (OECD) for emerging economies, including Kosovo, financially educated consumers can help the financial sector to make an effective contribution to a real economic growth and reduction of poverty.

“

The main goal is that this awareness begins since the young ages, in order the acquired knowledge later to be applied in personal finances management. The Banking Sector carries out a wide range of activities in this regard, individually as banking institutions, but also through the Kosovo Banking Association”, says Fehmi Mehmeti.



POSITIVE EFFECTS OF FINANCIAL EDUCATION ACCORDING TO OECD

According to the OECD, financial literacy is crucial to more developed economies, in order to help the consumers to save enough to ensure adequate retirement income, to avoid high debt levels that may lead to bankruptcy. The individuals, according to the OECD, will not be able whether to choose savings or proper investment for themselves, and can be at risk of a fraud unless they are financially educated.

“But, if individuals become financially educated, they will more likely save themselves and challenge the financial services providers, in order to develop products that truly meet their needs, and this should have positive effects on both investment levels and on economic growth”.

At the Central Bank of Kosovo say that over the last decade, the importance of financial education in general has increased very rapidly, and in particular in central banking, because the complexity of the financial sector appeared as a challenge around the world.

“The public needs these insights about these products and services to learn and

also be informed on the role of the CBK in Kosovo’s economy, for the protection of their rights in relation to financial institutions and many other information that can be offered through this field”, says the Governor of the Central Bank of Kosovo, Fehmi Mehmeti.

FINANCIAL EDUCATION IS NOT A PART OF THE SCHOOL CURRICULUM

According to Governor Mehmeti, the financial education is not taught in our academic institutions, ie. it’s not part of the school curriculum and subsequently the need to provide as much information as possible is quite big, thus adapting the communications of economic experts in way that is understandable for all citizens.

He added, that if viewed from Central Bank’s perspective, the financial education is of a great financial importance, because, as he emphasizes, the more financial literacy the citizens have, especially with regard to the usage of the financial services and products, the more will the economy be helped, which will aid the Central Bank, in order to promote financial and economic welfare of the Kosovo society. “At the same time, the fi-

ancial literacy of the citizens will affect the banking sector, improving the services and advancing the financial system in general”.

FINANCIAL EDUCATION OF THE NEW GENERATIONS

The Central Bank of Kosovo management says that financial education is important not only for personal finances, but also for the country’s economy in general, because, according to them, it makes the distribution of more efficient resources with regard to economic growth and reduction of poverty. Beside the Central Bank, the Commercial Banks have contributed a lot in recent years to the community in order to raise awareness of financial education. “The main goal is that the awareness begins from younger ages in order the gained knowledge later to be applied to management of personal finances

The Banking Sector carries out a wide range of activities in this regard, individually as banking institutions, but also through the Kosovo Banking Association”, says the head of CBK, adding that activities have an extension throughout the country in different municipalities where the banking institutions



Muhamet Sadiku, njohës i mirë i rrethanave ekonomike në vend thotë se edukimi ka kontribuar në mënyrë të drejtpërdrejtë që Kosova të këtë një sistem financiar të zhvilluar, modern që krahasohet me ato të shteteve të zhvilluara

operate with their branches and affiliates. The main topic that has followed these activities through the years are savings and better management of personal finances. The most comprehensive activity of the sector is “Global Money Week”, which is implemented through the Kosovo Banking Association, with the support of Commercial Banks. So far, thousands of young people have benefited through their participation in lectures and seminars, as well as practical exercises in financial education. The joint goal of the financial sector has led many of the activities to be co-organized between the Kosovo Banking Association and the Central Bank of Kosovo, , thus achieving a greater positive effect. “Financial education remains one of the main pillars of development of the financial sector and the country’s economy by increasing the socio-economic welfare of the Kosovo population”.

RUKIQI: THE FINANCIAL AND EDUCATIONAL SYSTEM SHOULD CONSTANTLY CO-OPERATE

Berat Rukiqi, chairman of the Kosovo Chamber of Commerce (OEK), says that the continuous financial education of all layers

of the population is an essential part of the long-term welfare of citizens and to the financial sector growth. According to him, the financial and educational system should cooperate. “The financial and educational system should constantly co-operate on forms and ways of financial education”, says Rukiqi. Speaking of increasing citizens’ savings in commercial banks, within a sound financial education, the representative of Kosovo businesses says that the increase of the level of deposits, increases the potential for investments by the banks. “Every increase in investments has a multiplying effects on the economy, including the employment and exports”, he says.

SADIKU: THE EDUCATION HAS DEVELOPED THE BANKING SECTOR

Muhamet Sadiku, a good acquaintance of economic circumstances in the country says that education has directly contributed that Kosovo has a developed, modern financial system that is comparable to that of the developed countries. According

to him, this is evidently seen in the level of continuous increase of loans, but also of deposits, while according to him, the level of non-performing loans is at the possible minimum.

Professor Sadiku says that under normal conditions and circumstances, higher education should have served for education of bank employees, but of their clients as well. He adds that when you consider that the education system does not do that, then this responsibility remains to the banks, that through different programs spread the financial culture, firstly to their employees and later to their clients.

However, the level of deposits in the country has an annual increase, which at the end of 2018 are in amount of 3.3 billion euros, of which 2.3 billion euros in households deposits, which shows that our citizens have a culture of saving.

(ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT(OECD))



Mehmeti: The financial education brings multiple benefits

Governor of the Central Bank of Kosovo, Fehmi Mehmeti, emphasised that financial education is important not only for personal finances, but for Kosovo's economy in general, which according to him, distributes the efficient resources in regard to economic growth and reduction of poverty

Financial education is important not only for personal finances, but for Kosovo's economy in general, because it distributes the efficient resources in regard to economic growth and reduction of poverty. This is what Fehmi Mehmeti, the Governor of the Central Bank of Kosovo (CBK) said in an interview. Among other things, he added that in recent years, the commercial banks have contributed a lot to the community, in order to raise the awareness about financial education. According to him, the main goal is that this awareness starts from younger ages, so

that later the acquired knowledge can be applied in personal finances management.

Mehmeti emphasized that the banking sector has a wide range of activities in this regard, both individually as banking institutions, but also through Kosovo Banking Association. "The activities are spread across the country in different municipalities, where banking institutions operate with their branches and affiliates. The main topic that these activities have followed over the years is savings and

Deposits per capita in the region

	Country	deposits	no. of residents	deposits per capita
	Kosovo	3.47 mld.€	1.8 miliion	1900 €
	North Mace.	6.5 mld. €	2.1 million	3100 €
	Albania	9.5 mld. €	2.8 million	3300 €
	Montenegro	3.4 mld. €	600 thousand	5700 €
	Bosnia&H.	17.4 mld. €	3.5 million	5000 €
	Serbia	20.7 mld. €	7 million	3000 €

3.347.000.000€

have reached the deposits in the banking sector of Kosovo



better management of personal finances. The most comprehensive activity of the sector is the “Global Money Week”, which is implemented through the Kosovo Banking Association, with the support of Commercial Banks. So far, thousands of young people have benefited through their participation in lectures and seminars, as well as practical exercises in financial education”, he said. Speaking about the financial education of businesses, Governor Mehmeti said that the more financially educated Kosovar businesses are, the more stable and successful they will be in their decision-making.

How important is the financial education for Kosovo citizens, especially for new generations?

Mehmeti: Over the last decade, the importance of financial education has increased rapidly in general, and in particular in central banking, because the complexity of the financial sector emerged as a challenge around the world. After the financial crisis in 2008, the need to advance the topic of financial education gained a lot more attention. The financial sector in Kosovo offers a variety of financial products and services. The public needs to have this literacy about these products and services, to learn and be informed about the role of the CBK in Kosovo’s economy, about protection of their rights in relation to financial institutions and many other information that can be offered through this field.

WHAT IS FINANCIAL EDUCATION?

Financial education offers knowledge to citizens to take required economic and financial decisions, either as individual or as businesses, for a much better management of their personal finances and to enable them to



70%

of deposits in banking sector are of households

evaluate the taken decisions in relation to financial products and services, offered by the financial sector. Financial education is not taught in our academic institutions, ie. it’s not part of the school curriculum and subsequently the need is quite big for provision of as much information as possible, thus adapting the communications of economic experts in a way that is understandable to all citizens.

What are the individual benefits, but of Kosovo’s economy as well, if to financial education is given importance?

Mehmeti: If we look at it from Central Bank’s point of view, Financial Education has a great financial importance, because as much financial knowledge citizens have, especially in regard to usage of financial services and products, the more the economy will be helped, but also the Central Bank will be assisted in order to promote the financial and economic welfare in Kosovo society. At the same time, financial knowledge of citizens will affect the banking sector as well, improving the services and advancing the financial system in general.

How much savings’ culture do Kosovo citizens have?

Mehmeti: Financial education is not part of school curriculum and the CBK does not have the data about the level of financial knowledge in Kosovo, ie. so far no analysis has been carried out, such as through a survey, in order to have an insight of the level of financial literacy of Kosovo citizens. For this purpose, the CBK is continuously engaging through various activities, starting from elementary schools and so on, to increase the level of awareness and importance of savings. However, the level of deposits in the country has an annual increase, which at the end of

261.000.000€



is the increase of deposits in the banking sector in one year.

2018 are in the amount of 3.4 billion euros, of which 2.3 billion euros are households' deposits, which shows that our citizens have the culture of savings.

INCREASE OF BANK DEPOSITS

How much have reached the citizens' deposits in the banking sector?

Mehmeti: The main source of financing the activity of the banking sector continues to be the deposits, the value of which during 2018 reached to 3.3 billion euros, and compared to previous years, is increased by 6.9%.

The rise of deposits year after year shows the high confidence that the banking sector enjoys in country's citizens. Based on the latest available data, the value of deposits in January of 2019 reached 3 billion and 347 million euros. Of this amount, about 70% of the total deposits are households' deposits, while the rest are deposits of enterprises. Compared to January of 2018, when the value of deposits was 3 billion 86 million euros, the value of deposits has increased by 261 million euros.

How much is the amount of deposits per capita in Kosovo and how much it is in the countries of the region?

Mehmeti: The banking sector in Kosovo is a relatively new sector, which in continuity has shown increase, and is increasing its role more and more in supporting businesses and the economic development of the country in general. The citizens' deposits in banking sector also have increased year after year. The value of deposits last year in Kosovo was 3.3 billion euros, or 1.900 euros per capita.

In the other countries of the region the value of deposits is as follows: In Northern Macedonia, with 2.1 million residents, the value

of deposits was 6.5 billion euros. As for the amount of deposits per capita in this country, it has reached the value of 3.100 euros. In Albania, where the number of residents is 2.8 million, the value of deposits has reached 9.5 billion euros, or 3.300 euros per capita. In Montenegro, with over 600 thousand residents, the deposits per capita reached 5.700 euro, while the total value of deposits is 3.4 billion euros. In Bosnia and Hercegovina with 3.5 million residents, the value of deposits last year reached 17.4 billion euros, or 5 thousand euros per capita

In Serbia, where the number of residents is 7 million, the value of deposits last year was over 20.7 billion euros, while the value per capita reaches 3 thousand euros.

How much attention do commercial banks, but also the CBK pay to financial education?

Mehmeti: Financial stability is a primary objective of the Central Bank, and consequently, a higher level of financial education can contribute and affect in maintaining this stability. Since its foundation in 1999, the CBK has undertaken activities and initiatives for financial education, by organizing lectures at universities, working meetings with journalists, activities with students etc. Beside these continuous activities, during 2013, the CBK has established the function of Financial Education within the Department of Foreign Relations, which has developed a financial education program based on which it realizes activities as well, projects and different events. The CBK continuously invests in both the human capacity, as well as in financial capacity, with the aim to have long term results, because financial education is a long-term process.

Regarding commercial banks, the Central Bank of Kosovo closely co-operates with the

Banking Association and other institutions on activities, events and materials of financial education. Consequently, so far they have organized a number of joint activities about financial education, but there are also particular activities organized individually by the banks, in continuation.

How much do banks invest in financial education of the clients?

Mehmeti: Financial education is important not only for personal finances, but for the country's economy in general, because it distributes the most efficient resources in the function of economic growth and reduction of poverty. In recent years, commercial banks have contributed a lot to the community in order to raise the awareness of financial education. The main goal is that this awareness starts from the younger ages so later the acquired knowledge can be applied to personal finances management. The Banking sector performs a wide range of activities in this regard, individually as banking institutions, but through Kosovo Banking Association as well. Activities have an extension throughout the country in various municipalities, where banking institutions operate with their branches and affiliates. The main topic that has followed these activities over the years is the savings and better management of personal finances. The most comprehensive activity of the sector is "The Global Money Week", which is implemented through the Kosovo Banking Association, with the support of

Commercial Banks. So far, thousands of young people have benefited through their participation in lectures and seminars, as well as practical exercises in financial education. The common objective of the financial sector has enabled



that many of activities to be co-organized between Kosovo Banking Association and the Central Bank of Kosovo, thus achieving a greater positive effect. Financial education remains one of the main pillars of the development of financial sector and country's economy, increasing the socio-economic well-being of Kosovo population.

THE BANKING SECTOR, IS AMONG THE MOST SUCCESSFUL IN KOSOVO

Kosovars have had bad experience in the previous (pre-war) system, when many of them lost their savings. Have banks managed to convince Kosovars that their savings are safe?

Mehmeti: The financial sector is generally considered to be one of the most successful sectors in Kosovo. When we speak about the banking sector, of course we have to emphasize that it is one of the most stable and successful sectors, that is contributing to economic development of the country.

The increasing trend of deposits of Kosovo citizens is a factor that shows that citizens have high credibility in this sector.

Is there a rise or fall of costumers' complaints towards commercial banks and was the CBK able

to solve them?

Mehmeti: The number of complaints in 2016 was 535. Of this number, 335 were for commercial banks, Microfinance Institutions (IMF), Non-banking Financial Institutions (IFJB), Pension Funds, and 283 complaints were for insurance companies. Out of this number, 40.60% of complaints were solved in favor of financial services beneficiaries, while 59.40% were resolved in favor of financial institutions. In 2017, the number of complaints rose to 602, of which 335 complaints were for commercial banks, IMF, IFJB, Pension Funds, and 267 for insurance companies. Out of the total number of 602 complaints, 37.15% were resolved in favor of beneficiaries of financial services, while 62.85% were resolved in favor of financial institutions. There was an increase in the number of complaints last year, which amounted to 927, of which 532 complaints were for commercial banks, IMF, IFJB, Pension Funds, while 395 complaints were made to insurance companies. The percentage of complaints settled in favor of financial services' beneficiaries during 2018 was 42.83%, while 57.17% of complaints were resolved in favor of financial institutions

THE IMPORTANCE OF FINANCIAL EDUCATION FOR BUSINESSES

How important is the financial education for Kosovar businesses?

Mehmeti: Advancements in the field of technology, the impact of globalization and the added players in the markets today, have influenced in a way that competitiveness in kosovar markets is at a high level. Developing a secure and fair environment for providing financial services is one of the main strategic objectives of the Central Bank of Kosovo. Also, building a secure and fair financial market is a long-term job that requires a continued commitment of financial institutions, the Central Bank and other governmental institutions. All this will be in the function of developing the economy. Consequently, the more financially educated the Kosovar businesses are, the more stable and successful they will be in their decision-making. Financial education increased the ability to take sound financial decisions while being properly and timely informed in order to protect the rights, but also by recognizing their responsibilities.



Robberies of commercial banks, precautionary measures are taken

Due to increased cases of commercial banks robberies, with the initiative of the Central Bank of Kosovo, in early February of this year a cooperation agreement was signed with the Minister of Internal Affairs, Ekrem Mustafa, the Kosovo Police Director Rashit Qalaj and the Executive director of Kosovo Banking Association, Petrit Balija

The Governor of the Central Bank of Kosovo (CBK), Fehmi Memeti, expressed concern over the increase of commercial banks robbery cases in Kosovo, according to whom, they, along with the other security institutions are taking the necessary measures to prevent such cases. According to him, there have been 18 cases of bank robbery in Kosovo during 2018, while in 2017 there were 8 cases, and 6 cases in 2016. "The CBK is handling this phenomenon with high priority and importance, by taking necessary actions within its responsibilities. The CBK held a meeting with the safety authorities, discussing concerns about banks robberies phenomenon in Kosovo. All the representatives of the participating institutions in this meeting expressed the readiness to undertake the necessary measures in order to increase the level of security and agreed on concrete measures to raise the inter-institutional cooperation in this field", said Mehmeti.

CLIENTS' DEPOSITS ARE SAFE

According to him, based on the Rulebook on Operational Risk Management, the banks inform the CBK and other relevant authorities in charge about these events. "Any financial damage that occurs in the case of bank robbery is compensated by the bank itself and never by clients or the CBK. Moreover, in order to cover the financial damages, the banks secure the cash", said the head of CBK. He made it known that last Decem-

ber, the CBK took the initiative to start discussions on this issue together with the Minister of Interior Affairs Ekrem Mustafa, Director of the Kosovo Police Investigation Department Riza Shillova, member of the Board of Banks Association Orcun Ozdemir and the Executive Director of Kosovo Banking Association, Petrit Balija..

"The main topic of discussion was the concern about bank robbery phenomenon in Kosovo. We agreed with all aforementioned representatives to be ready to take necessary measures in order to increase the level of security in the banking sector and to increase the inter-institutional cooperation for addressing these challenges", he emphasized. According to Mehmeti, as a result of this initiative, in early February of this year a cooperation agreement was signed with the Minister of Internal Affairs, Ekrem Mustafa, the Kosovo Police Director Rashit Qalaj and the Executive Director of Kosovo Banking Association, Petrit Balija, and the Central Bank. "The agreement aims to advance the cooperation in regard to enhancement of the level of security in banking sector in a way that banks, their staff and the citizens have a more safer environment for the development of their activity".

KOSOVO POLICE OPERATIONAL PLAN

On the other hand, due to the growth of the number of bank robbery cases, the Ministry of Internal Affairs has taken a deci-

sion that henceforth, the workers guarding the banks to be equipped with weapons, while police patrols to be equipped with long rifles. This news was announced by the Minister of Internal Affairs, Ekrem Mustafa, where he explained that MIA and Police have now made an operational plan aimed at stopping this negative phenomenon that is happening in Kosovo. "We have also made the operational plan without interfering in the police plan, but we have taken measures that police patrols should carry even long rifles, because it is a disturbing concern that gangs are using bombs as well", said Mustafa.

Meanwhile, according to an announcement from Kosovo Banking Association, the signed agreement between the Ministry of Interior, the CBK and the Kosovo Banking Association, was a result of previous meetings conducted with representatives of these institutions, where it was discussed about concerns on financial institutions robberies phenomenon in Kosovo. "The agreement aims to advance the cooperation to increase the level of security in the banking sector so that banks, their staff and citizens have a safer environment for the development of their activity", was noted among other things in notification from Kosovo Banking Association.



Kosovo with a modern financial system

The Central Bank of Republic of Kosovo, within the activities of marking the 20th anniversary of its establishment, has held a discussion in honor of the International Consumer Protection Day on topic the Role of the CBK in the field of consumer protection. On this occasion, the Governor of the CBK, Fehmi Mehmeti, said that thanks to the measures taken by the CBK in these 20 years, the country was influenced in that way that it has modern and sound financial system, that successfully is realizing its role of a financial intermediation in supporting the sustainable development of the country's economy.

According to the Governor Mehmeti, the activities aimed at protecting the consumer are of a particular importance, focusing on two main pillars of this initiative: review of customers'

complaints and financial education. "While in the first years of functioning of the financial system, the focus was on creating conditions for providing the basic financial services to the country's economy, now we have reached the stage where is being paid more and more attention to the quality of these services, where undoubtedly a very important place occupy the activities aimed at protecting the consumer of financial services", said Mehmeti.

CLIENTS' COMPLAINTS INCREASE

By reviewing the complaints, according to the Governor Mehmeti, the CBK intends to provide the implementation of all contractual rights and obligations between financial institutions and clients, in cases where the clients consider that this thing has not happened. "In

"The key word in Banking sector is the credibility and this is safeguarded if good services are provided, but also if disagreements are resolved efficiently and quickly",x said the Executive director of Kosovo Banking Association, Petrit Baliija



recent years, number of clients of financial institutions that submit a complaint to the CBK in regard to implementation of their contractual rights, has increased. We consider that the increase of the number of complaints directly reflects the higher awareness of clients about their rights and ability to make a complain, which is contributing to a better protection of their rights, but is also contributing to correction and advancement of internal processes inside financial institutions in providing and development of financial services, as well as avoidance of various errors". According to him, clients' complaints are a very important source of information for the CBK as well, which often takes them into account during supervisory activities of financial institutions.

MEHMETI:THE CBK IS WORKING ON FINANCIAL EDUCATION OF THE PUBLIC

The Governor Mehmeti said that beside the activities in addressing the possible violations by financial institutions in relation to clients' rights, the CBK is intensely working on financial education of the public, which aims to increase as much as possible the level of publics literacy about financial products and their rights in regard to financial institutions.

"In addition to its activities in promoting

the financial education, the CBK continuously encourages financial institutions to to increase their activity in support of raising the public literacy about the financial products, because well-informed consumers make reasonable actions and directly contribute to further development and preservation of financial stability", said the Governor of CBK, Fehmi Mehmeti.

"THE CBK IS INTENSIVELY WORKING ON FINANCIAL EDUCATION OF THE PUBLIC, WHO IS LOOKING TO FURTHER INCREASE THE LEVEL OF THEIR KNOWLEDGE ABOUT FINANCIAL PRODUCTS AND THEIR RIGHTS IN REGARD TO FINANCIAL INSTITUTIONS", SAID THE GOVERNOR FEHMI MEHMETI

Shala emphasized that it is an obligation of the institutions to protect the consumer. "In order for a country like Kosovo to become part of the EU market, it is necessary to build a structure

where the law is implemented. When it comes to the financial system, we know how important it is", said Shala. "Our engagement in protecting the consumer is a duty of ours in order to develop the country. The ministry that I lead is committed to defend the consumer's rights".

Through a presentation, the CBK has informed the attendees about the steps to be followed in order to implement the consumer's rights protection as well as the policies that this institution pursues in this regard. In this discussion was presented the manner of reviewing the complaints of financial services users at the CBK and the financial institutions

SHALA:CONSUMERS' PROTECTION, OBLIGATION OF INSTITUTIONS

Also, the Governor Mehmeti further mentioned the contribution of the CBK in consumers' protection, as a member of the Council for Consumers' Protection, an inter-institutional body with the goal to provide a harmonized and all-inclusive approach in securing the protection of consumers' rights in Kosovo.

On the other hand, the Minister of Trade and Industry, Endrit Shala, thanked Governor Mehmeti for organization of this meeting, expressing the readiness to continue further the cooperation between the two institutions in consumers' protection.

BALIJA: CREDIBILITY IS THE MAIN WORD OF THE BANKING SECTOR

The Executive director of Kosovo Banking Association, Petrit Balija, on this occasion stated that the review of complaints by the CBK has eased this matter a lot.

"I am encouraged by the complaints' statistics that I saw. There was a frustration from consumers about where they could address the complaints, as the Courts haven't always been effective and the CBK has greatly facilitated this part. It's very appropriate for the CBK in our country to take over this role", said Balija.

The Executive director of the Kosovo Banking Association has emphasized that credibility is the main word of the banking sector, and this, according to him, will be kept if good services are provided, but also if disagreements are resolved efficiently and quickly. "The Ministry of Commerce has been active in improving the regulation so we do not eliminate consumers' complaints, but we review them", said Balija.



The value of deposits reach 3.36 billion euros

At the end of the year that we left behind the deposits in the banking sector in Kosovo reached the total value of 3.36 billion euros, thus, marking an annual growth of 8.7 percent, or 2 percent more than in the same period the year before that

Deposits of households, but also of businesses in commercial banks that operate in Kosovo during the year we left behind has significantly increased compared to previous years. based on the official data from the Central Bank of Kosovo (CBK), it can be seen that at the end of last year the amount of deposits of citizens and businesses in banks has reached the record of 3.36 billion euros. "The deposits in banking sector in Kosovo increased for 154.6 million euros in the last quarter of 2018 and noted the value of 3.36 billion euros. Developments within the

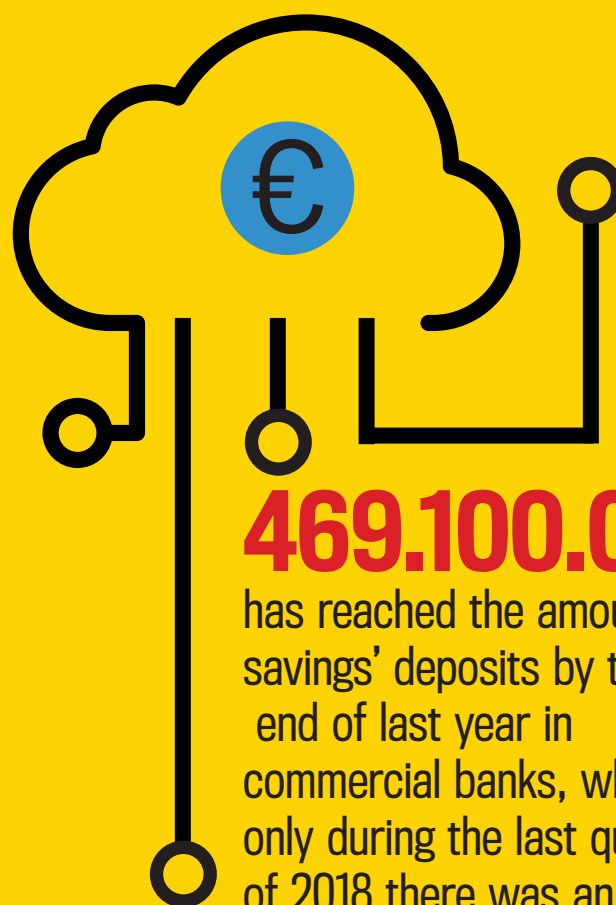
banking sector deposits in the last quarter of 2018 are mainly attributed to the performance of deposits for companies, without ignoring the important contribution of households. The deposits of enterprises increased for 104.7 million euros in the last quarter and reached the total value of 872.4 million euros by the end of the mentioned period", says the last report of the Central Bank of Kosovo, published in March of this year. In this report is further known that households' deposits increased for 58.2 million euros in this quarter and reached the total value of 2.33 billion euros.

Further, according to official data of the CBK, based on deposit categories, the transferable deposits increased by 84.5 million euros in the fourth quarter of 2018 and recorded a value of 2.01 billion euros.

Also, in this quarter, time deposits increased by 63.6 million euros and amounted to 881.5 million euros at the end of this period. While, the savings/ deposits increased by 6.5 million euros on a quarterly basis and reached 469.1 million euros at the end of mentioned period.

8.7%

is increased the amount of deposits in commercial banks by the end of last year



2.33

billion euros is the total amount of households' deposits.

469.100.000€

has reached the amount savings' deposits by the end of last year in commercial banks, where only during the last quarter of 2018 there was an increase of 6.5 million euros

881.500.000€

reached the time deposits in commercial banks in Kosovo by the end of December of last year. Only in the last quarter of 2018, time deposits increased by 63.6 million euros

LOANS INCREASED FOR 10.9%

At the end of the year, the value of loans in commercial banks in the country amounted to 2.76 billion euros, corresponding to an annual growth of 10.9 percent. The most favorable banking offers, expressed through the improvement of lending conditions, as for enterprises as well for households, resulted in the growth of the entire stock of active loans by the end of the period. Also, the increase in demand for loans from both categories resulted in a general increase of lending activity throughout the quarters of 2018.

In the last report of the Central Bank of Kosovo (CBK) it is stated that in the last quarter of the year we left behind, the loans for enterprises increased by 49.0 million

euros, reaching the value to 1.75 billion. "On an annual basis, at the end of the fourth quarter of the year that we left behind, excluding lending to the declining agricultural and mining sector, the lending to all other economic sectors was characterized by growth," was said in the CBK report.

Further on, the Central Bank of Kosovo reports say that on a quarterly basis, the effect of seasonality and the dynamics with which are characterized different economic sectors result in big fluctuations year by year. In this context, the services sector grew by 34.5 million in the fourth quarter of 2018 (an increase of 1.4 million euro in the fourth quarter of 2017), while the trade sector grew by 0.2 million euros, compared to an increase of 32.0 million euros in the

fourth quarter of 2017. "Developments in other sectors did not result in significant changes compared to the fourth quarter of 2017. New business loans amounted to 231 million euros in the fourth quarter of 2018, of which 152.8 million euros resulted in loans intended for investment, while 69.8 million euros for non-investment purposes. New loans for the agricultural sector in the fourth quarter of 2018 amounted to 6.5 million euros, an increase of 0.3 million euros opposed to the fourth quarter of 2017. New loans destined for the industry increased to 41.2 million and reached the value of 80.7 million euros in the fourth quarter of 2018. Loans for new services decreased by 31.4 million euros, by decreasing to the value of 107.7 million euros in the quarter.

The importance of financial education

Financial education is becoming more and more important, not just for investors. It is becoming essential to the average family that is trying to decide how to balance its budget, to buy a house, to finance child education and provide income when parent retire.

Of course, people have always been responsible for managing their finances on a daily basis, spending a vacation or save for new furniture, some money is set aside for the education of a child or their preparation for life etc. But recent developments have made financial education and awareness increasingly important for financial well-being.

For one thing, the sophistication of financial markets suggests that the consumers do not choose only between interest rates for two different bank loans, or savings plans, but are offering a variety of complex financial instruments for borrowing and saving, with a wide range of options. At the same time, the responsibility and risk for financial decisions that will have a major impact on an individual's future lives, especially pensions, are increasingly shifting to workers and away from government and employers. As life expectancy increases, the issue of retirement is particularly important because individuals enjoy longer retirement periods. As life expectancy increases, the issue of retirement is particularly important because individuals enjoy longer retirement periods.

Individuals will not be able to choose the savings or needed investments for themselves and may be at risk of a fraud, unless they are financially educated. But if individuals become financially educated, they will most likely be able to survive and challenge financial service providers to develop products that really respond to their needs and this should have positive effects on both investment levels and economic growth.

Individuals are always required to take the sole responsibility and take the burden of risk for complex savings tasks that were previously shared with governments or employers, such as investment in a retirement or higher education for their children. But how can it be expected for individual employees or parents to weigh the

risks and make responsible choices in an increasingly sophisticated financial trade? This is true in places where consumers are generally familiar with financial instruments such as credit cards, mortgage loans and perhaps private savings to "improve" the company's pension plans.

This is even more difficult in emerging economies, whose rapid development has provided financial services to a large number of consumers, many of whom have limited experience with formal financial systems. For emerging economies, financially educated consumers can help the financial sector to make an effective contribution to real economic growth and poverty reduction. But, financial knowledge is also crucial to more developed economies to help customers save enough money to secure adequate retirement income, avoiding high levels of debt that could lead to bankruptcy. Available information on consumer financial culture is worrying for two reason: not only do individuals generally lack the appropriate financial background or understanding to navigate in today's complex market, but unfortunately they also generally believe that they are much more financially educated than they really are.

This has become a reason for the growing concern governments take for a number of reasons. For one thing, the increased use of credit cards in OECD countries has led to an increase in personal bankruptcy. In 2013, almost one in 10 American families filed bankruptcy, but the number of private bankruptcies in Austria increased by 11%. Similar problems are appearing in countries where crediting is becoming widespread. Korea has experienced significant increase in consumer debt, while in Germany there has been an increase in private bankruptcies, at least partially due to increased loan availability. And for some people in OECD countries, the issue of financial culture is far more fundamental and falls down if they have a bank account. Throughout the OECD, between 3% and 10% of the population are without bank accounts and therefore are financially isolated in a world where financial transactions, including the payment of welfare benefits more and more are carried out electronically.

ORGANIZATION
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