

Dear Minister Hoti,  
Dear Members of the Board of DIFK  
Dear Ms. Elena Petrovska, Head of the EBRD Resident Office in Prishtina  
Dear Mr. Ilir Aliu, Chairman of the Board of Directors of Kosovo Bankers Association  
Dear representatives of local and international institutions  
Dear representatives of the media,  
Ladies and gentleman,

I am pleased to address this speech regarding the marking of this event of special importance to the Deposit Insurance Fund and the financial sector as a whole as this fund represents one of the main components of financial sector stability in Kosovo. Despite that today is marked the fulfilment of a very important agreement between the Fund and the EBRD on the development of the system for compensation of depositors, it does also coincide with the fifth anniversary of the establishment of this fund which, as will unfold the report for 2015 has reached many achievements during these five years of operation. This event is a continuation of the successes achieved by the Fund for Deposit Insurance since its establishment, which is made possible by means of support of the German Government, that I take the opportunity to thank for his contribution through the KfW, I would also thank the Government of Kosovo for the support given to help reach where we are today.

This year has marked the increase of deposit insurance limit in 4,000 euros from the amount of 3,000 euros of the previous year, which according to planning and taking into account the achievements so far, will rise to the level of 5,000 euros starting from 2018, this will represent a satisfactory coverage for Kosovo this will also range us on international best practices.

The level of development of the Fund Deposit Insurance is shown also on the assessment of compliance with the Core Principles for Effective Deposit Insurance Systems that was made to this fund last year by international experts in the field with representatives of the International Deposit Insurers, which has resulted that the Fund is largely consistent with these principles. This presents a special importance for the safety net of the financial sector, considering the role of the Fund as one of four key pillars to support effective financial sector stability, which in addition to the Deposit Insurance also includes the Regulatory on Prudential and Effective Supervision, Effective Mechanisms on Management of Troubled Banks and Lending of Last Resort.

Since the establishment of the Fund, the Central Bank at the beginning as initiator but also on further steps has shown its willingness and commitment to support any activity for the development and further advancement of it, and at the same time to congratulate is the commitment of the staff of the Fund for their communication and close cooperation with the Central Bank but also with other stakeholders. The cooperation between the two institutions is fulfilled with the memorandum of understanding signed earlier. For a successful and effective management of the Fund you can also refer to the external audit report which gives a positive assessment.

The agreement, which marks this event, has a key role since it enables one of the main factors that make a system of deposit insurance to be effective in its role to protect deposits and

maintain the financial sector in the event of a possible negative development of any bank individually. This is because by this agreement is enabled further advancement of the deposit compensation system when in case of necessity, which affects the cutting time and increase efficiency in the distribution of deposits in case of need. This is a key factor that enables the removal of doubts and uncertainty of depositors in case a bank may face difficulties which prevents the so-called contagious actions from other depositors enabling rapid addressing to their demands. This directly affects the growth of confidence of depositors that is the main factor of financial stability.

In the role of the Central Bank to ensure the stability of the financial sector every further advance like is of the Fund of Deposit Insurance, but also of each of the three other pillars referred to above as part of the network security, they ease and make possible maintenance of the stability of the financial sector that we currently enjoy. All systems benefit from the ongoing processes of development and improvement.

Therefore, I take this opportunity to thank the EBRD for their support of the Fund, and Ms. Violeta Arifi-Krasniqi Managing Director of the Fund, for the tireless efforts and for organizing this conference which enabled us to express our views and discuss issues of importance to the financial sector in Kosovo.

I want this to be that an event of interest to you, and spend a nice day.

Thank you