Use of Bank Cards in Kosovo

September 2021
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(Based on data reported by commercial banks)
ABBREVIATIONS:

ATM Automatic Teller Machine
CBK Central Bank of the Republic of Kosovo
PSD Payment Systems Department
EFT-POS Electronic Fund Transfer Point of Sale
POS Point of Sale

INFORMATION: For a more detailed description, refer to explanatory notes. Users of this data are required to cite the source. Suggested citation: Central Bank of the Republic of Kosovo, Use of bank cards in Kosovo, Prishtina 2021. Any necessary correction is made in the electronic version. This publication includes data available until 31 December 2020.
# Use of bank cards in Kosovo

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## Use of Bank Cards in Kosovo

### Data on the number of terminals and bank cards for 2020 in Kosovo

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inhabitants</strong></td>
<td>1.79 million</td>
</tr>
<tr>
<td><strong>Area (km²)</strong></td>
<td>10,887</td>
</tr>
<tr>
<td><strong>Density (per km²)</strong></td>
<td>164</td>
</tr>
<tr>
<td><strong>ATMs</strong></td>
<td>513</td>
</tr>
<tr>
<td><strong>per 1 million inhabitants</strong></td>
<td>286</td>
</tr>
<tr>
<td><strong>per 100 km²</strong></td>
<td>5</td>
</tr>
<tr>
<td><strong>POS</strong></td>
<td>13,421</td>
</tr>
<tr>
<td><strong>per 1 million inhabitants</strong></td>
<td>7,757</td>
</tr>
<tr>
<td><strong>for 100 km²</strong></td>
<td>123</td>
</tr>
<tr>
<td><strong>Credit Cards</strong></td>
<td>175,205</td>
</tr>
<tr>
<td><strong>Debit Cards</strong></td>
<td>1,201,902</td>
</tr>
<tr>
<td><strong>per 1 million inhabitants</strong></td>
<td>97,879</td>
</tr>
</tbody>
</table>

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September 2021
1. Introduction

Enhancing competition and efficiency in financial services markets are important goals for any economy, including the economy of Kosovo. Rapid developments in technology, modernization of the payments system, improvement of customer service and increase of the efficiency of the banking system, have provided customers with numerous payment methods without the use of cash. The payment methods that customers choose are constantly changing. Particularly with the onset of the Covid-19 pandemic during 2020 an acceleration in the use of technology solutions and digital services across all economic sectors has been observed.

In addition to measures to improve the legal and regulatory framework, as well as infrastructure developments, the CBK attaches particular importance to monitoring the use of payment instruments, as a significant aid in the decision-making process and reforms in the field of payments system.

Card, credit transfers that can now be performed remotely (via online banking websites or mobile applications), Kos Giro, Direct Debit and digital wallet payments, are non-cash payment instruments by which users of these services transfer funds between accounts in banks or other non-bank financial institutions. There are several main reasons that influence the consumer to use the cards, such as: more security (from theft of money), electronic transfers with lower cost avoiding the time required to withdraw money and the costs borne by physical money, payments anywhere in the world and through the Internet, storage of transactions in electronic form for better budget management, less informality with benefits for the country's economy, etc.

The following analysis presents details of the use of bank cards in Kosovo, as well as the infrastructure of card payments.

We note that this study is based on statistical data of commercial banks and covers the January-December 2020 period and aims to provide the public with a comprehensive overview of the payment card market in Kosovo during 2020, which provides useful data for users, payment service providers and the general public.
1.1 Publication structure

The publication is divided into seven chapters. The first chapter is the introduction of the publication, which explains the structure of the publication and a brief overview of the legal framework under which the statistical data are collected.

The second chapter, under the title "Payment Infrastructure" presents data about the terminals which are available to the client.

The third chapter presents details about the use of cards in Kosovo. The chapter contains data on the number of cards, their types and functions, as well as data on the use of cards, broken down by age and gender of cardholders.

The fourth chapter presents data on the number and value of transactions executed by customers during 2020. The data are divided by terminals where payments have been made and also by value of payment.

The fifth chapter presents the number and value of card transactions by locations of terminals in the main cities of Kosovo.

The sixth chapter is the conclusion of the publication.

The last chapter contains the list of tables and figures.

1.2 Legal framework

One of the oversight tasks of the Central Bank of Kosovo is to regulate and supervise payment instruments. This task is defined in the Law on the Central Bank of the Republic of Kosovo, Article 22, and point 2.3 "to regulate and oversee the issuance and quality of payment instruments".

Determination of conditions, requirements and procedures for the issuance and use of electronic payment instruments, as well as the determination of the manner of reporting information during the use of these electronic payment instruments is regulated by the Regulation on electronic payment instruments. Also, the CBK has approved the Regulation on reporting payment instruments statistics, which defines the statistics to be reported, reporters and statistical obligations of reporters, reporting period and reporting forms, confidentiality, guidelines for drafting reports, and the minimum standards applied for reporting.
2. Payment Infrastructure

In the payments market in Kosovo, at the end of 2020, 13,934 terminals were reported in which cards were accepted. Of this number, 513 are ATM terminals for cash withdrawals, and 13,421 are POS terminals for card payments.

2.1 ATM terminals

**ATM (automatic teller machine)** is an electromechanical device that allows authorized users to withdraw money from their accounts and / or access services using physical cards readable by devices / machines, enabling the users to, for instance, check the account balance, transfer or deposit funds.

At the end of 2020, the number of ATM terminals was 513. All ATM terminals installed in Kosovo offer the withdrawal function, while 284 and 54 of them offer the possibility of deposit and credit transfer function.

**Table 1. ATM terminals**

<table>
<thead>
<tr>
<th>Terminals by function</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automated Teller Machines (ATMs)</td>
<td>513</td>
</tr>
<tr>
<td>of which:</td>
<td></td>
</tr>
<tr>
<td>ATM with cash withdrawal function</td>
<td>513</td>
</tr>
<tr>
<td>ATM with credit transfer function</td>
<td>54</td>
</tr>
<tr>
<td>ATM with cash deposit function</td>
<td>284</td>
</tr>
</tbody>
</table>

Source: CBK (2021)

Figure 1 presents data on the number of ATM terminals in the last three years and their annual increase / decrease compared to the previous year.

**Figure 1. Number of ATM terminals in the last three years**

Source: CBK (2021)
Figure 2 shows the distribution of the network of ATM terminals in the largest cities of Kosovo at the end of 2020.

The following figure shows that most of the ATM terminals are concentrated in the city of Prishtina, while the rest is distributed among other cities in Kosovo. The reasons for such a large concentration of ATM terminals in Prishtina are different, such as the large number of residents living in Prishtina, the number of bank branches, businesses operating in this city, etc.

**Figure 2. Distribution of ATM terminals in cities**

![Bar chart showing ATM terminal distribution in cities](chart.png)

Source: CBK (2021)

2.2 POS terminals

A **POS terminal** is a device that allows the use of payment cards at a physical (non-virtual) point of sale. POS terminals allow customers to make card payments without the need for cash. This is a very easy and secure way of making payments for various goods or services.

**Table 2. POS terminals**

<table>
<thead>
<tr>
<th>Terminals by function</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>POS (Point of Sale) terminals</strong></td>
<td>13,421</td>
</tr>
<tr>
<td>of which:</td>
<td></td>
</tr>
<tr>
<td>POS with cash withdrawal function</td>
<td>64</td>
</tr>
<tr>
<td>EFTPOS</td>
<td>13,357</td>
</tr>
</tbody>
</table>

Source: CBK (2021)
The number of POS terminals at the end of 2020 was 13,421 terminals, of which 64 also offer cash withdrawal service. The following figure presents data for the last three years on the number of POS terminals and the annual increase / decrease.

**Figure 3. Number of POS in the last three years**

![Number of POS](image)

Source: CBK (2021)

Figure 4 shows the distribution of the POS terminals network in the largest cities of Kosovo at the end of 2020. Similar to the distribution of ATM terminals, the POS terminals network is more concentrated in Pristina.

**Figure 4. Distribution of POS terminals in cities**

![Distribution of POS terminals in cities](image)

Source: CBK (2021)
3. Use of cards

3.1 Total number of cards

1,378,899 customer cards were reported in the Republic of Kosovo at the end of 2020, which include debit cards, credit cards and delayed debit cards (charge cards) for individuals and businesses. Compared to the end of 2019, the total number of customer cards has increased by 6.4 percent. The total number of cards at the end of 2019 was 1,295,000 cards. For the same period, debit cards increased by 8.4 percent, while credit cards decreased by 5.15 percent.

Table 3. Types and functions of cards

<table>
<thead>
<tr>
<th>Types of cards</th>
<th>Debit</th>
<th>Credit</th>
<th>Delayed debit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local cards</td>
<td>33,076</td>
<td>367</td>
<td>0</td>
</tr>
<tr>
<td>Visa</td>
<td>655,142</td>
<td>111,641</td>
<td>622</td>
</tr>
<tr>
<td>MasterCard</td>
<td>513,684</td>
<td>63,197</td>
<td>186</td>
</tr>
<tr>
<td><strong>Total number</strong></td>
<td><strong>1,201,902</strong></td>
<td><strong>175,205</strong></td>
<td><strong>808</strong></td>
</tr>
</tbody>
</table>

Source: CBK (2021)

For the three-year period (2018-2020), the total number of cards in Kosovo, and the annual growth percentage is presented in Figure 5.

Figure 5. Number of cards in the last three years

Source: CBK (2021)
The cards used in Kosovo are mainly international brand cards, such as Visa and Mastercard, and a small part are local cards. Of the total number of cards, about 55 percent of them are Visa and 42 percent are MasterCard, and close to 3 percent are local cards.

The following figure shows the data about the card brands used in Kosovo:

Figure 6. Card Scheme in Kosovo 2020

![Card Scheme in Kosovo](image)

Source: CBK (2021)

Depending on the technology applied to initiate payment transactions, the cards can be divided into two types: contact and contactless cards. 'Contact' cards are those types of cards with which transactions are performed by placing the card in the POS terminal, while contactless cards enable the realization of transactions only by holding the card near the POS terminal, i.e. without the need to touch the device.

Contactless cards are issued in Kosovo since 2016. During 2020, there were five commercial banks in Kosovo that offered these types of cards to their customers. The total number of cards with contactless function at the end of 2020 was 694,829 cards.

Of the total number of cards, more than half of them (50.4 percent) offer the possibility of contactless payments. The figure below shows the share of cards with contactless function in the total number of cards in the last three years.

The annual growth rate shows that the new cards are mostly contactless and the existing cards are gradually being replaced with the expiration of their term with contactless cards.
3.2 Number of cards by age and gender of cardholders

From the data presented in Figure 8, it is observed that most of the cards for all age groups are owned by men. 58.3 percent of cardholders belonging to the age group 18-25 years old are male, while 41.7 percent are female. In the age group 26-35 years old, 63.8 percent of the cards are owned by men, while 36.2 percent by women. For the age group 36-45 and 46-55 years old, the difference is even higher: 69 percent of the cards are owned by men and 31 percent by women. Among younger age citizen, this difference is smaller, increasing with the increase of age.

Figure 8. Number of cards by age and gender of cardholders
3.3 How much are debit and credit cards used by customers?

3.3.1 Use of debit cards by customers

Debit card means a card that enables the holder to make purchases directly and immediately from the account. The debit card can be linked to an account that offers overdrafts as an additional feature.

The use of debit cards by customers is constantly increasing. If we compare the number of debit card payments in 2020 with the previous year, we have an increase of 23.8 percent of transactions. This number includes all transactions performed with debit card by customers in ATM and POS terminals.

**Figure 9. Number of debit card payments during the last three years**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of debit card payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>22,203,279</td>
</tr>
<tr>
<td>2019</td>
<td>22,446,377</td>
</tr>
<tr>
<td>2020</td>
<td>27,801,417</td>
</tr>
</tbody>
</table>

Source: CBK (2021)

**Security** - bank card is a payment instrument and as such should be guarded and used with care. During its use, one should be cautious and attentive

- Only the cardholder can use it – i.e. the card must have your name on it.
- You should take care of Personal Identification Number - PIN (Attn: never store your PIN and card together and do not disclose the PIN to another person, etc.)
- Do not share information on your card over the phone, by email or other insecure means.
- In case of card loss, inform your bank as soon as possible. The bank will block the card immediately to prevent the card misuse by unauthorized persons.
During the analysis of the number of card transactions, it results that during 2020 the age group of 26-35 years has performed the largest number of transactions with debit cards, of which 60 percent of transactions are performed by men and 40 percent by women. This may mean that this age group has a higher tendency to use electronic payment instruments, but it may also be related to the fact that they have higher card ownership and a more regular monthly income.

Figure 10. Number of debit card payments at terminals (by age and gender of cardholders for 2020).

The data in Figure 11 show that the citizens of the age groups 26-35 and 36-45 years old have made payments of higher value during 2020, compared to other age groups. If we make the correlation between the number and value of debit card transactions, it can be concluded that the realized transactions also differ in the number of transactions, but the biggest difference lies in the value of these payments as shown in the figure below.
3.3.2 Use of credit cards by customers

Credit cards enable their holders to make payments or even withdraw cash up to the limits set by the card issuer. Credit allowed can be repaid in full at the end of the predetermined period or repaid in part, according to the agreement with the bank, through the application of interest by the bank to the cardholder for the amount of the credit used.

Credit cards have become the everyday tool for citizens to make payments, and to manage their finances. Recent years have seen an increase in their use for making payments at ATMs and POS terminals, but also for "online" purchases.

The following figure shows the trend of credit card payments within the last three years.
Figure 12. Number of credit card payments in the last three years

![Bar chart showing number of credit card payments 2018: 1,245,694, 2019: 1,243,469, 2020: 1,496,355. Source: CBK (2021)]

From the data presented in Figure 13, we note that the transactions of citizens aged 26-35 years and those aged 36-45 years, constitute the largest number of credit card transactions. From the total number of credit card transactions, it can be seen that 69 percent of the transactions were performed by men, whereas 31 percent by women.

The biggest difference lies in the number of transactions performed by citizens over the age of 55, where it is seen that 75.17 percent of credit card transactions are performed by men, whereas only 24.83 percent of them are performed by women.

Figure 13. Number of credit card payments at terminals (by age and gender of cardholders for 2020).

![Line chart showing number of credit card payments by age group and gender. Source: CBK (2021)]
Figure 14 shows the value of credit card transactions performed during 2020 by the citizens of Kosovo. From the data presented we note that similar to the number of transactions, 75 percent of the value of credit card transactions are performed by men, whereas 25 percent of them are performed by women.

Figure 14. Value of credit card payments at terminals (by age and gender of cardholders for 2020).

![Graph showing credit card payments at terminals by age and gender.]

Source: CBK (2021)

3.4 Use of cards for online payments

Along with the increase in the number of cards and based on the high number of internet users in Kosovo¹, online purchases (card payments) through the Internet have also increased.

The fast and secure trend of virtual infrastructure development driven by the circumstances created by the pandemic situation, has enabled the increase in the number of payments that customers have made remotely, such as online payments. The figure below shows the upward trend over the last three years.

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¹In 2019, 93.2% of households in Kosovo had access to the Internet at home or apartment from any device. [https://ask.rks.gov.net/media/5270/tik-2019.pdf](https://ask.rks.gov.net/media/5270/tik-2019.pdf)
Presentation by socio-demographic factors, confirms the trends of online shopping during 2020, where it is seen that younger customers are more familiar with online shopping.

Figure 16 shows that the largest number of online transactions are performed by men aged 26-35 with 76 percent of the number of transactions, compared to women in this age group who performed 24 percent of transactions.

Figure 17 shows the value of online purchases through credit cards. From the data presented, it can be noticed that from all age groups, men are the ones who perform more "online" purchases.

The value of online transactions performed by customers aged 26-35 and those aged 36-45 has the largest share in the total amount of online purchases. In the 26-35 age group,
77 percent of online purchases are performed by men, whereas 23 percent by women. The biggest gender difference is in the age group 55+ years of age, where of the total amount of online purchases via credit cards, 87 percent of them are made by men and 13 percent by women.

Figure 17. Value of online payments (by card via internet)

4. Card transactions

4.1 Transactions divided by value of payments

At the end of 2020, 13,421 POS terminals were installed in Kosovo, which enable citizens to make card payments. Of the total number of terminals, 88 percent of them offer the possibility of 'contactless' payments. Many banks have increased the limit of contactless payments by enabling customers to make faster and more secure payments at POS by avoiding physical contact, these payments can be made up to the amount of 50 euros.

4.1.1 Card transactions at POS terminals

Figure 18 shows the total number of transactions carried out in POS terminals of reporting banks within the country and the percentage of annual growth of these transactions for the last three years.

The year 2020 has marked an enormous increase of card payments in POS terminals, whereas compared to the previous year transactions have increased by 55.4%. The campaign for
the use of electronic payments during the pandemic situation and the avoidance of cash payments in order to reduce the possibility of the spread of Covid-19 during the process of performing the payments are estimated to have had an impact on the rapid growth of card payments during 2020. However, a major impact on the increase of card payments is estimated to have had the amendment of the regulation on electronic payment instruments (December 2019) which eliminated the fees for the customer when making payments at the POS terminal of other banks, i.e., elimination of payment fees when the card issuer and the recipient of card payments are two different financial institutions.

Figure 18. Number of transactions at POS terminals in the last three years

![Figure 18: Number of transactions at POS terminals in the last three years](image)

Source: CBK (2021)

From the data presented in Figure 19 it can be seen that the citizens of Kosovo prefer to make lower value payments: 71 percent of the total number of payments at POS terminals is worth 0-20 Euros, whereas 29 percent of those are over 20 Euros.

Also, from Figure 19 it is noticed that the payments in POS terminals over 200 Euros are in a very small number, they constitute only 1.2 percent of the total number of payments made in POS during 2020.
4.1.2 Card transactions at ATM terminals

Figure 20 shows the number of ATM withdrawals during 2020, broken down by age and gender of cardholders. The number of withdrawals at ATM terminals in the amount of up to 20 Euros constitutes 38 percent of the total number of withdrawals, withdrawals in the amount of 21-50 Euros constitute 19 percent of the total number of ATM withdrawals, whereas those over 200 Euros constitute 18 percent of the total number of ATM withdrawals during 2020.

From the total number of ATM withdrawals, it can be seen that 50 percent of the number of transactions are performed by men, whereas the other half by women.
4.1.3 Card transactions via the Internet

Online card purchases in recent years have become very attractive for the citizens of Kosovo, same as for the citizens of other countries. These payments are being accompanied by rapid development trends. They are mainly used for the purchase of goods or services, hotel reservations, payment of travel tickets, etc.

From the data presented in Figure 21, we note that online purchases are made mainly in small amounts: 70 percent of online purchases are worth 0-20 Euros, whereas 5 percent of them are worth over 200 Euros. One of the reasons that may have affected the high number of small amount payments, i.e. up to 20 euros\(^2\), may be the fact that for goods up to these amounts, no customs duty is applied upon receipt of the goods.

Also, Figure 21 shows that of the purchases worth 0-20 Euros, 77 percent were made by men and 23 percent by women, while of the total number of online purchases, 76 percent of purchases were made by men, whereas 24 percent of women.

\(^2\) Deliveries in small amounts / Online purchases - Article 27. [https://dogana.rks-gov.net/per-individ/legjislacioni/dergesat-me-vlera-te-vogjablerjet-online/](https://dogana.rks-gov.net/per-individ/legjislacioni/dergesat-me-vlera-te-vogjablerjet-online/)
4.2 E-commerce service in Kosovo

Electronic commerce (e-commerce) is the buying and selling of goods and services or the transmission of funds or data over an electronic network such as the Internet.

Commercial banks in Kosovo enable companies to sell their products or services directly through websites. The following figures show the number and the amount of online card payments executed by customers via the e-commerce service on the websites of companies within the country during the last three years and in more detail for 2020.

Figure 22. Number of payments through e-commerce

It is worth noting that the number of payments made through e-commerce during 2020 has increased significantly compared with previous years. In 2018 there were 19,480 payments made through e-commerce, during 2019 this number was 83,244, while only
during 2020, 723,076 of such payments were made. If we compare the number of payments made during 2020, compared to the previous year, there is an increase of over 750 percent. This means that many companies in Kosovo have started to use the infrastructure provided by banks to sell their products or services.

Figure 23. Number of payments through e-commerce

![Bar chart showing number of payments through e-commerce](image)

Source: CBK (2021)

Figure 24. Value of payments through e-commerce

![Bar chart showing value of payments through e-commerce](image)

Source: CBK (2021)

4.3 Digital wallet service

During 2019, one of the commercial banks in Kosovo introduced a new payment product - digital wallet. In 2020, two other banks introduced this product to their customers. Digital
wallet is a mobile phone application, which is based on bank cards and customers can make contactless payments at POS terminals inside and outside the country, after connecting their card with the digital wallet application offered by the bank. To make a payment, customers just need to place their mobile phone in a contactless POS terminal and the payment will be executed.

The number of payments through the digital wallet during 2020 was 51,744 payments, while the total amount of these payments was 824,468.22 euros.

5. Card transactions according to the location of payment terminals

The number of ATM and POS terminals that are installed in Kosovo are mainly concentrated in the largest cities, where Prishtina leads with 33.4 percent of the number of ATM terminals and 47.8 percent of the number of POS terminals, while the rest is distributed among other cities in Kosovo.

From the data presented in Figure 24 it can be seen that 52 percent of card transactions were performed in ATM and POS terminals installed only in the city of Prishtina, while the remaining 48 percent were performed in terminals installed in the other 6 largest cities after Prishtina.

Figure 25. Number of transactions at ATM and POS terminals by main cities

<table>
<thead>
<tr>
<th>City</th>
<th>Number of Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prishtina</td>
<td>13,921,925</td>
</tr>
<tr>
<td>Prizren</td>
<td>2,766,804</td>
</tr>
<tr>
<td>Gjakova</td>
<td>1,713,018</td>
</tr>
<tr>
<td>Peja</td>
<td>2,287,444</td>
</tr>
<tr>
<td>Ferizaj</td>
<td>2,198,989</td>
</tr>
<tr>
<td>Mitrovica</td>
<td>2,397,848</td>
</tr>
<tr>
<td>Gjilan</td>
<td>1,311,145</td>
</tr>
</tbody>
</table>

Same as the number of transactions, also their value executed at ATM and POS terminals is greater for the city of Prishtina, compared to the other 6 largest cities in Kosovo.
44.5 percent of the value of card transactions was executed in Prishtina, while 55.5 percent in the other 6 largest cities of Kosovo as shown in Figure 25.

**Figure 26. Value of transactions at ATM and POS terminals by main cities**

<table>
<thead>
<tr>
<th>City</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gjilan</td>
<td>280,430,777</td>
</tr>
<tr>
<td>Mitrovica</td>
<td>350,163,571</td>
</tr>
<tr>
<td>Ferizaj</td>
<td>387,262,063</td>
</tr>
<tr>
<td>Gjakova</td>
<td>228,221,539</td>
</tr>
<tr>
<td>Peja</td>
<td>371,043,318</td>
</tr>
<tr>
<td>Prizren</td>
<td>492,510,174</td>
</tr>
<tr>
<td>Prishtina</td>
<td>1,693,021,599</td>
</tr>
</tbody>
</table>

Source: CBK (2021)

5.1 Share of card transactions by number and value

The following is a graphic representation of the share of each type of transaction in the number and total value of card transactions. From Figure 26 can be seen that ATM withdrawals constitute the largest number and value of card transactions. Of their total number performed during 2020, 50 percent of card transactions are ATM withdrawals, while payments at POS terminals are 43.7 percent of the total number of card transactions. Also, in terms of transaction amount, withdrawals prevail in share (62.7 percent), followed by ATM deposits with 27.3 percent. Card payments at POS terminals account for 43.7 percent of the total number of card transactions. Their share is much lower (9.8 percent) in the total value of card transactions. Such share means that citizens are more likely to use cards to make small value payments.
Figure 27. Share of card transactions

Source: CBK (2021)
6. Conclusions and findings of the analysis

Use of cards

Despite the fact that the number of card transactions in Kosovo per capita (16.2) is smaller than the number of transactions in Eurozone countries (142.2), the card market in the country continues to develop at a fast pace, providing citizens with easy alternatives to perform payment services. From the data presented in this analysis it can be concluded that the cards still constitute the most important element within the instruments that replace cash payments.

Debit cards with the largest market share

Debit cards remain more numerous in number compared to credit cards, and as a result the number and amount of transactions performed with debit cards is higher compared to credit cards. Given the relatively high number of cards in circulation, as well as the network of ATM and POS terminals, institutions should concentrate more on increasing the use of cards which are already distributed to citizens, but that their use at payment terminals remains low.

Frequency of use

Encouraging is the fact that citizens are also using the cards to carry out small value transactions which represent daily payments, which are usually in large numbers. Making these payments through cards will reduce cash flow, reducing operating costs associated with their circulation.

Development of educational campaigns

Financial institutions in the country should pay more attention to the development of educational campaigns for the use of electronic payment instruments.

Assessment of the efficiency of educational campaigns for card payments

In addition to conducting educational campaigns on the use of electronic payment instruments, financial institutions should evaluate the results of these campaigns, analysing and measuring the results achieved during such campaigns.

Unification of payment infrastructure and cost reduction for businesses

Payment service providers (banks and non-banking financial institutions licensed to provide payment services) should work on unifying the infrastructure for card payments in order to increase market efficiency by expanding the network of payment terminals to small businesses, as well as reducing the costs of businesses for accepting card payments. The unification of the POS terminal network would be an important step towards the objective of increasing card payments and reducing cash payments.

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3 Number of payments per capita in the EU - [https://sdw.ecb.europa.eu/reports.do?node=1000001390](https://sdw.ecb.europa.eu/reports.do?node=1000001390)
In order to increase card payments, the CBK in December 2019 amended the regulation on electronic payment instruments by eliminating the fees that banks applied to the cardholder when making payments at terminals of other banks. The CBK is also working on regulating the interchange fee in order to reduce costs for businesses when accepting card payments, based on the EU Regulation on interchange fees.