



BANKA QENDRORE E REPUBLIKËS SË KOSOVËS
CENTRALNA BANKA REPUBLIKE KOSOVA
CENTRAL BANK OF THE REPUBLIC OF KOSOVA

Governor's Speech

20 March 2025

Conference: Conclusion of the IMF Mission for the review of the SBA Arrangement and the RSF Facility

Organizer: Central Bank of the Republic of Kosovo | Ministry of Finance, Labour and Transfers | International Monetary Fund

Venue: Building of the Government of the Republic of Kosovo, Room P-32

Dear Minister Murati,

Dear Mr Amaglobeli,

Representatives of the International Monetary Fund,

Dear representatives of the media,

Ladies and gentlemen,

It is a pleasure to be standing here today to mark the successful conclusion of the latest review of the Stand-By Arrangement (SBA) and the Resilience and Sustainability Facility (RSF) with the International Monetary Fund (IMF).

This achievement reflects our unwavering commitment to financial stability, economic sustainability, and institutional reform in the CBK and in the Republic of Kosovo.

We express our sincere gratitude to the IMF delegation, led by Mr David Amaglobeli, Mission Chief for Kosovo, for their continued support and cooperation. Their participation has been essential in guiding our efforts to advance the regulatory and supervisory framework and implement key reforms within our financial system.

The Central Bank of the Republic of Kosovo has worked diligently to strengthen institutional governance structures, enhance financial stability, and align the regulatory framework with international standards, particularly those of the European Union. The IMF's positive assessment highlights our proactive approach to these efforts, and we are proud of the significant progress that has been achieved.

One of the main points of the review of the arrangement and the facility is the adoption of key reforms, including the finalization of the New Law on Banks and the Law on Payment Services.

Our commitment to advancing the banking sector has continued through the development of the Supervisory Review Process (SREP) Roadmap, ensuring a strong risk assessment framework in line with European supervisory authorities, through the support of the IMF.

Other reforms implemented by the CBK, such as countercyclical capital buffer and additional capital requirements for systemic banks, supported by an increase in banks' contribution to the Deposit Insurance Fund, the continuation of the REPO line with the European Central Bank, the establishment of a recovery and resolution structure, in addition to the review of the relevant and crisis response frameworks, strengthen the long-term sustainability of the banking and financial sector.

The IMF has also recognized our progress towards integration into the Single European Payments Area (SEPA). The submission of Kosovo's preliminary application to the European Commission - DG FISMA and the European Payments Council marks an important step on our path towards full financial integration with the European Economic Area. However, the process will depend on the constitutional review of the laws affecting this process which is known to be outside the scope of the CBK.

The Instant Payments project to be developed with the Central Bank of Italy, known as TIPS Clone, will enable the advancement of financial infrastructure to better serve businesses and individuals and with more reasonable costs and faster transactions.

The benefits from SEPA membership as well as from the modernization and digitalization of payment services will be multifaceted for the economy, in addition to direct savings from transaction costs, increased efficiency and security, resulting in the country's European integration. I would like to take this opportunity to thank the European Union Institutions for their commitment and the EU Office in Kosovo for their support and constructive approach in this process.

In terms of access to finance and financial inclusion, the removal of fees for payment accounts with basic services and measures to stimulate cashless payments have expanded financial inclusion, enabling wider access to banking products and services for our citizens.

Financial education and consumer protection have been areas of activity both in terms of internal organization and for the financial sector, where the CBK has been committed through new initiatives that increase transparency, competition and consumer protection.

Furthermore, in its commitment to addressing global challenges, including risks related to climate change and sustainable finance, the CBK has adopted the Strategic Roadmap as well as guidelines for banks to monitor and report on credit exposures related to the Carbon Border Adjustment Mechanism (CBAM), in line with European Union practices.

To enable support for large and economically impactful projects, including clean energy, we have adopted the Guide to Syndicated Loans, which expands banks' financing options, while reducing the risk of credit concentration.

The reforms undertaken as legal advances represent the basis for a modern and well-regulated financial system, which not only strengthens banking supervision, but also supports the integration

of Kosovo's financial market into European financial markets. These are also recognized by the IMF assessment being presented today.

Our banking sector remains strong and resilient, highly liquid, well-capitalized, profitable and with low levels of non-performing loans. The sustainability of the financial sector is also reflected in the fact that all financial health indicators remain within the parameters and regulatory criteria set by the CBK.

Banks continue to play an important role in supporting the real economy. The loan-to-deposit ratio reached 84.6%, with double-digit growth in lending and deposits.

With the conclusion of the fourth and final review of the IMF-supported programs, I am pleased to announce that all structural objectives and indicators applicable to the CBK have been successfully implemented, demonstrating our strong commitment to the policies and ownership of the program. The program results testify to a successful program for which we are all deserving.

The CBK remains committed to its mission to implement policies oriented towards promoting financial stability and an efficient payment system, and we remain open to possible new arrangements with the IMF to further strengthen and reform our financial system.

Once again, I would like to express my deepest gratitude to the IMF team for the constructive cooperation and important assistance to the CBK in the function of capacity building, in the areas of financial supervision, regulatory and supervisory framework, corporate governance, risk management, IT and cyber risk management, statistics, etc.

I also express my gratitude to the dedicated staff of the CBK, the Ministry of Finance and partner institutions that have contributed to these reforms.

While expressing my gratitude to Mr Ambaglobeli and Minister Murati for the constructive cooperation in the successful completion of this program, I remain open to questions.

Thank you.
