



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

Annual Report 2024

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CENTRALNA BANKA REPUBLIKE KOSOVO
CENTRAL BANK OF THE REPUBLIC OF KOSOVO

Annual Report 2024

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LIST OF ABBREVIATIONS

IA	Internal Audit
ACH	Automated Clearing House
AMIK	Association of Microfinance Institutions of Kosovo
NFA	Net Foreign Assets
PAK	Privatization Agency of Kosovo
RWA	Risk Weighted Assets
KAS	Kosovo Agency of Statistics
ASHI	Information Society Agency
TAK	Tax Administration of Kosovo
ATM	Automated Teller Machine
MTA	Money Transfer Agencies
WB	World Bank
EU	European Union
BEC	Broad Economic Categories
BEEP	Business Environment Enhancement Project
CBK EB	CBK Executive Board
EBRD	European Bank for Reconstruction and Development
BIC	Business Identifier Code
BIS	Bank for International Settlements
KIB	Kosovo Insurance Bureau
GDP	Gross Domestic Product
ECB	European Central Bank
CBK	Central Bank of the Republic of Kosovo
CEFTA	Central European Free Trade Agreement
DJI	Dow Jones Industrial Average
DLE	Department of Labor and Employment
SDR	Special Drawing Rights
EFSE	European Fund for Southeastern Europe
EACHA	European Automated Clearing House Association
SEE	Southeast Europe
EULEX	European Union Mission for the Rule of Law
EUROSTAT	Directorate General for European Statistics
KCGF	Kosovo Credit Guarantee Fund
KPSF	Kosovo Pension Savings Fund

IMF	International Monetary Fund
SKPF	Slovenian-Kosovan Pension Fund
GBP	Great Britain Pound
IAIS	International Association of Insurance Supervisors
ICAAP	Internal Capital Adequacy Assessment Process
IPI	Import Price Index
CPI	Consumer Price Index
PPI	Producer Price Index
FDI	Foreign Direct Investments
HHI	Herfindahl-Hirschman index
NPISH	Non-Profit Institutions in the Service of Households
MFI	Microfinance Institutions
NBFI	Non-Banking Financial Institutions
IOPS	International Organization of Pension Supervisors
AC	Audit Committee
NPL	Non-Performing Loans
NCP	National Council of Payments
ARA	Average Return on Assets
ARE	Average Return on Equity
ODC	Other Depository Corporations
MFLT	Ministry of Finance, Labor and Transfers
MTPL	Motor Third Party Liability insurance
FIU	Financial Intelligence Unit
REER	Real Effective Exchange Rate
IIP	International Investment Position
POS	Point of Sale
PP	Percentage Points
CRK	Credit Registry of Kosovo
RTGS	Real Time Gross Settlement
ESCB	European System of Central Banks
IECS	Interbank Electronic Clearing System
SEPA	Single Euro Payment Area
KBA	Kosovo Banking Association
CHF	Swiss Franc
ARK	Accounting Register System
SWIFT	Society for Worldwide Interbank Financial Telecommunications

CAR	Capital Adequacy Ratio
TPL	Third Party Liability
VAT	Value Added Tax
USAID	United States Agency for International Development
VPN	Encryption and Virtual Connections Technology

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1. Foreword by the Chairman of the Board of the Central Bank

It is my pleasure to address you within the framework of the Annual Report for 2024 on behalf of the Central Bank of the Republic of Kosovo (CBK). The past year was a period of consolidation and further advancement for our institution, with continued progress towards regulatory and operational alignment with the highest standards of the European Union (EU).

During 2024, the Board of the Central Bank continued to approve and implement a number of key regulations that directly contributed to strengthening the stability, transparency and efficiency of the financial sector. Our focus remained on advancing the regulatory framework for the banking sector, insurance sector, microfinance institutions and non-bank financial institutions, aiming to create a reliable financial system that responds to the needs of the Kosovo's economy and its citizens.

In 2024, one of our main priorities was strengthening of our commitment to preserving and consolidating financial stability in Kosovo. Through active supervision and proactive measures, we have ensured that the financial sector maintains stability, minimizing systemic risks and promoting a reliable financial environment that is resilient to potential global market challenges.

Another key challenge during 2024 was management of inflation, which has marked a moderate upward trend, in line with global developments. In close cooperation with relevant institutions, the CBK has continued to closely monitor inflationary trends, taking coordinated actions to mitigate the negative effects on the domestic economy and to support the purchasing power of citizens.

Looking towards the future, the CBK is committed to advancing in adapting to global economic and technological developments. Our strategic goals for 2025 and beyond will be oriented towards further advancing instant payment systems in cooperation with our partners in the Eurozone, continuously improving cyber security, expanding financial education and increasingly integrating elements of the green economy into the activities of the financial sector.

Finally, I would like to thank the Board members, the Governor, the Executive Board, and the entire staff of the CBK for their tireless work, as well as citizens for their continued trust and support. Together, we will continue to build a more stable and prosperous financial future for Kosovo.

Respectfully,

Bashkim Nurboja, Dr. Sc.,



Chairman of the Board

Central Bank of the Republic of Kosovo

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2. Introductory remarks of the Governor

Dear readers, citizens, institutional leaders and representatives, international partners,

With the deepest professional respect and dedication and high sense of public responsibility, I am pleased to present the Annual Report of the Central Bank of the Republic of Kosovo for 2024, a summary of institutional commitments and activities to guarantee financial stability, maintain public trust, and to strengthen the integrity and monetary sovereignty of our country.

The year 2024 was a year of sustainable progress, challenges managed with prudence, and important reforms implemented with dedication. During this period, Kosovo's economy recorded real growth of 4.4 percent, while inflation slowed to 1.6 percent, reflecting an improvement in macroeconomic conditions and prudent monetary and fiscal management. The financial sector also performed well, continuing to be stable and within defined parameters of financial soundness, confirming financial stability and enhanced access to safe finances.

The CBK was at the center of efforts to guarantee the integrity of the financial system, protection of the Euro as the sole legal mean of payment, and the legality of the operation of institutions, in the face of any practice that undermines monetary stability and illegal or unhealthy practices. In this regard, determined actions have been taken to combat counterfeit money, prevent money laundering and terrorist financing, legality, as well as to maintain the reliability of money in circulation and protect the financial services consumer.

The stability of the financial system has been maintained and further consolidated, as evidenced by the stability of indicators of the banking, insurance, pension and non-banking and microfinance sectors. Concrete measures have been taken with regulatory instruments to capitalize the banking sector and increase the stability of the sector, which contribute to achieving the primary objective of the CBK.

In the legal and regulatory aspect, we have successfully concluded the process of finalizing a number of key laws and regulations, which strengthen the institutional framework of the CBK and prepare the country for further integration into the European financial architecture. Pre-application to SEPA (Single Euro Payments Area), in addition to the preparations carried out in the short term, constitutes an important step towards this strategic goal, creating the basis for a harmonized and securely integrated payment system in the European area, as a commitment of all the governing bodies of the CBK.

In order to increase financial inclusion, the full implementation of the regulation on basic accounts has had an impact, reaching 390 thousand such accounts, while the network of financial institutions and services has been expanded, almost tripling the number of financial institutions licensed by the CBK in the northern part of the country, in addition to ensuring legality in the operation of operators licensed only by the CBK, with the aim of providing secure services to all citizens of the Republic of Kosovo. Another activity undertaken to increase transparency, competition and consumer empowerment was the test launch of the platform for comparing financial products and services, which continues to be advanced to achieve its full purpose and coverage of the sector.

In the internal institutional aspect, institutional reforms have been further advanced, through strengthening internal governance, internal audit, risk control and capacity development of professional staff and policies that retain, attract and support professional staff. Commitment to technological development has increased, with a strategic approach to advancing cybersecurity and digitalization of internal processes. These achievements have been widely recognized by international partner institutions as contributors to these processes.

The CBK continued to ensure adequate financial and budgetary sustainability, which, among other things, guarantees its constitutional independence, by achieving the legal quotas of capital reserves from sustainable earnings, as well as managing to allocate, for the second consecutive year, the distributable earnings with the state budget, in addition to the interest contribution on State Budget deposits.

In addition, the CBK has directly contributed to the successful completion of the assessment process for obtaining a sovereign credit rating for Kosovo, a step that reflects the maturity of economic and financial institutions and opens new avenues for international financing. The financial sector was among the key areas that was highly considered to contribute to obtaining this rating.

During the year, the CBK has carried out all tasks arising from the programs with the International Monetary Fund, which were successfully concluded, strengthening institutional credibility and commitment to the economic development goals and protection from external shocks, as well as creating additional financing space, if needed to use them.

International and regional cooperation has been further strengthened, both in terms of expanding the network of counterpart Central Banks for international reserve management, participation in forums and conferences for the exchange of experiences and capacity building, and institutional representation at the highest levels. The International Conference to mark the 25th anniversary of the establishment of the CBK was among the most major events organized with professionalism and dedication, ensuring the highest level of international participation ever to take place in these events, and constitutes a culminating moment in the promotion of the Central Bank and the Republic of Kosovo, as a country that aspires and works for full integration into the European and international financial system. This event was subsequently widely covered by the participating international institutions in their official public communication networks.

In conclusion, I would like to thank the entire staff of the CBK for their commitment and dedication, the Board of the Central Bank for their vision and support, institutions of the Republic of Kosovo, our local and international partners for their fruitful cooperation, as well as the general public, including the media, non-governmental organizations and the academia. Together, we have built a strong foundation for the future of the country's monetary and financial stability.

With continued commitment to transparency, credibility and inclusive development, the CBK will remain a fully independent institution, as provided for by the country's constitution, which guarantees the stability and security of the financial system, supports the economy, and advances European financial integration with a comprehensive approach in service of citizens and development of the country.

Respectfully,

Ahmet Ismaili



Governor

Chairman of the Executive Board

Central Bank of the Republic of Kosovo

3. Executive Summary

The year 2024 marked an important period for the economy and financial system of the Republic of Kosovo, reflecting a significant improvement in macroeconomic conditions and further advancement of financial stability. Real economic growth reached 4.4%, which was the highest in the region (regional average 3.4%), while inflation slowed significantly to 1.6%, which was the lowest rate in the region (average 3.2%).

The financial system assets reached a value of 12.75 billion euros, marking an overall increase of 14.8%, compared to 2023, dominated by bank assets of 8.6 billion euros or 67% of financial sector assets. Loans and credit products reached a value of 5.8 billion euros and representing 45.5% of financial sector assets.

The banking sector continued to be stable, liquid, and well capitalized. Lending increased by 18.3%, while deposits grew by 13%, resulting in a loan-to-deposit ratio reaching 84%, demonstrating high public confidence in the banking system and a satisfactory level of support to the real economy. The banks' capitalization ratio reached 17.4%, while the non-performing loan rate remained at a historically low level of 1.9%. Interest rates on loans fell to 5.9%, and the loan-deposit margin narrowed to 2.5 percentage points.

The pension sector reached 3.2 billion euros, with investment returns amounting to 247 million euros, while the insurance sector recorded an increase in premiums to 168 million euros, alongside a rise in claims paid. The microfinance sector saw a 24.6% increase in lending, while lending in agriculture and for enterprises was also supported by credit guarantee schemes.

The CBK intensified supervision across all financial sectors, conducting 30 on-site examinations and preparing for the transition to European standards such as SREP, IFRS 17, and Solvency II. The Recovery and Resolution Department was established, while supervision of systemic risks and macroprudential analyses were advanced in cooperation with the IMF. With the IMF's support, the Risk Committee was created and the risk appetite statement was approved. Additionally, the Consumer Protection Department became operational, handling 927 complaints from users of financial services, alongside reviewing supervisory practices, and a platform for comparing financial products and services was launched.

The CBK took corrective and administrative measures in accordance with its legal mandate and aimed at compliance with the legal and regulatory framework. The CBK legislation has been advanced and harmonized with the EU legal framework through the adoption of three key laws: the Law on Banks, the Law on Payment Services and the Law on PML/CFT. In addition, 39 regulations, guidelines and other regulatory instruments have been adopted, including 20 specific regulations paving the way for SEPA membership, while a pre-application for SEPA membership has been made to the relevant EU institutions.

Regarding the payment system, the year 2024 marked a significant increase in the use of electronic instruments, where the number of transactions increased by 9.6% and in value by 16.3%. Thus, the Interbank Payment System (KIPS) processed nearly 21 million transactions worth over 25.3 billion euros. In terms of accounts, out of 2.53 million bank accounts opened, over 1 million have access to online services, while the number of basic accounts is 390 thousand, which the CBK supported through the regulation on basic accounts and financial education campaigns.

Access to finance improved significantly, especially following the entry into force of the Regulation on Cash Operations, which led to a threefold increase in the presence of financial institutions in the northern municipalities of Kosovo, thereby strengthening financial inclusion and access. Additionally, as a result, suspected banknotes were withdrawn from circulation, including over 400 thousand pieces of 500 Euro denomination banknotes, further reinforcing monetary integrity.

In terms of cash management and operations, the CBK continued to implement measures to address the challenges in the field of counterfeit money in close institutional coordination. In this regard, the CBK initiated the creation of a national system against money counterfeiting, supported by the EU and the Central Bank of Croatia.

In the international field, cooperation agreements were reached for the management of reserves with three EU central banks, while access to the Eurosystem credit line, which is operated on behalf of the European Central Bank by the German Central Bank (Deutsche Bundesbank), continued.

The CBK has significantly advanced institutional communication through the launch of a new website, a platform for comparing financial products, financial education activities, and a substantial increase in its digital presence. The organization of the International Conference on the occasion of the 25th anniversary of its establishment and transparent communication with the media demonstrated its commitment to financial education, transparency, and public trust.

Current challenges and global uncertainties require a cautious approach, evidence-based assessments, and balanced decision-making that is adaptable to dynamic circumstances. The CBK, through its governing bodies and professional staff, inter-institutional cooperation, and support from its strategic partners, will successfully manage these challenges in accordance with the applicable legal framework.

4. Mission, Vision and Values of the CBK

Mission

The CBK mission is to ensure and maintain financial and prices stability, provide an effective payment system, as well as support sustainable economic development in the Republic of Kosovo.

Vision

The CBK aims to continue to be an independent, credible and transparent institution, acting responsibly towards the public, and to be synonymous with professionalism, innovation and inclusiveness.

Values

The CBK upholds the following values:

- **Integrity and ethics** – The CBK staff is committed to working honestly according to the highest standards of integrity and professional conduct for the benefit of the citizens of the Republic of Kosovo.
- **Independence, competence and professionalism** - In order to fulfill its objectives, the CBK ensures that its activities are conducted through an independent approach, expertise and professionalism
- **Teamwork and innovation** - The CBK encourages cooperation and the promotion of new ideas to face challenges with sustainable solutions
- **Promotion of the public interest** - The CBK acts with transparency in decision-making and in the interest of the common good
- **Effectiveness and efficiency** - Achieving objectives through the efficient use of resources with measurable results
- **Quality and commitment** - The CBK employs qualified staff who provide high quality work and continuous commitment.

5. Strategic Plan 2024-2028

The Strategic Plan 2024-2028 is based on the Policy for Strategic Planning in the Central Bank of the Republic of Kosovo. It is an expression of the vision of the Central Bank of the Republic of Kosovo and a dynamic framework that reflects our dedication to the sustainability of the financial system, innovation in order to increase the efficiency of financial services and the well-being of the citizens of the Republic of Kosovo.

This Strategic Plan has been drafted with the contribution and full involvement of the CBK staff. Considering all the necessary requirements of the times and serves as a roadmap to address issues related to: (a) financial sustainability and stability, (b) modernization of the financial market infrastructure, (c) financial education and inclusion, (c) advancement of consumer protection, and (d) expansion of cooperation and influence in the areas of responsibility.

The five strategic goals of the plan are listed below:

Goal 1: Strengthening financial stability and resilience

Advance the regulatory and supervisory framework with the aim of identifying and responding on time to risks in financial institutions in order to maintain financial stability.

Goal 2: Capacity building, commitment to personnel, digitalization and modernization of processes

Modernization of the Central Bank of the Republic of Kosovo with the aim of advancing the level of corporate governance, human capacities, internal control, risk management, transparency, work processes and operations.

Goal 3: Modernization of the financial market infrastructure and competitiveness

Advance the infrastructure of payment and securities settlement, as well as the digitalization of payment services with the aim of promoting competition and market development.

Goal 4: Advancement of consumer protection, financial literacy and financial inclusion

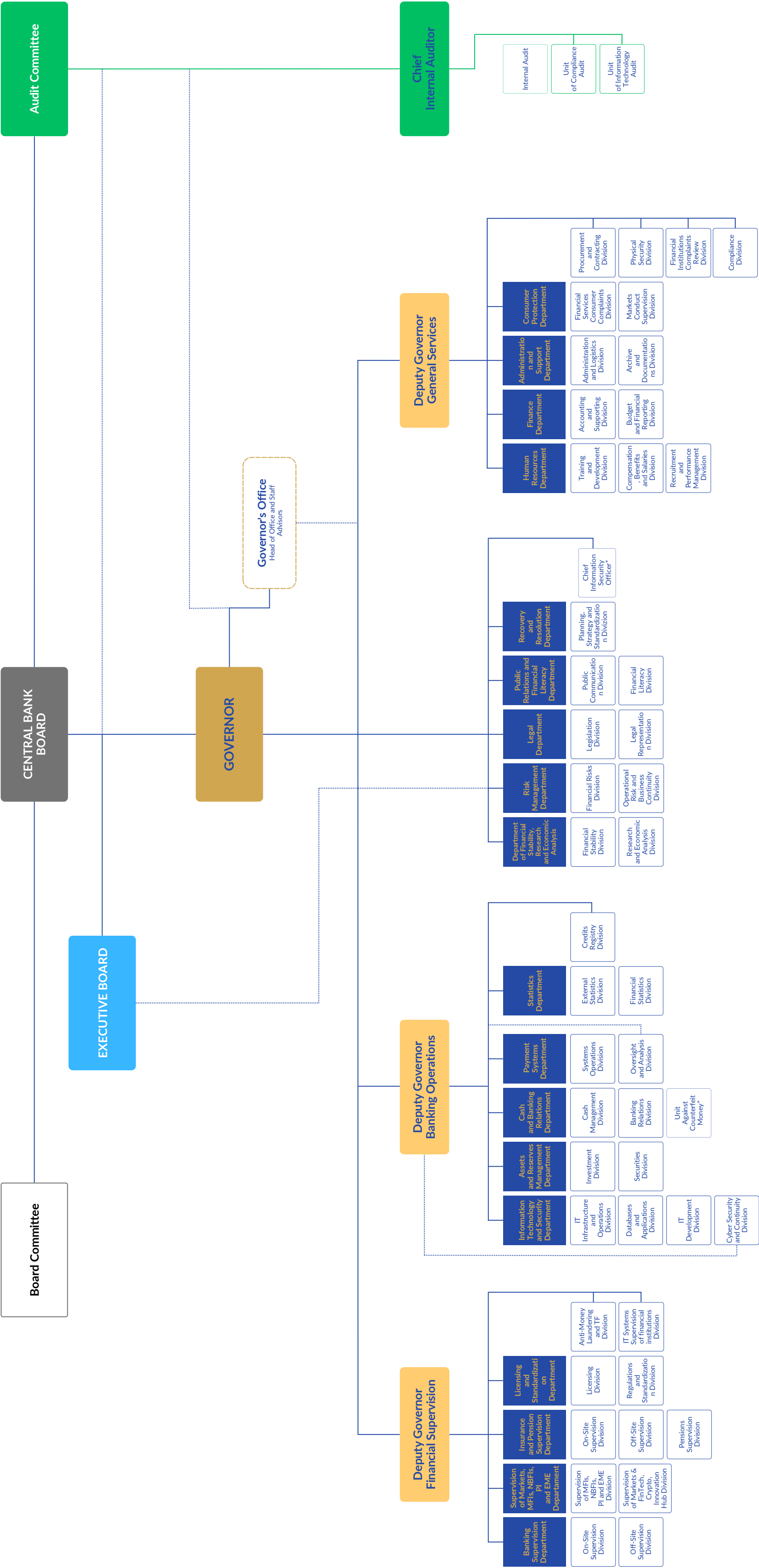
Promote financial literacy, access to finance, financial inclusion, and best practices in providing services by financial institutions.

Goal 5: Expansion of cooperation, inclusion and influence in our areas of responsibility

Broadening the level of cooperation with external actors, financial institutions, regulatory authorities, international financial institutions, and other relevant institutions with common interests.

The full document can be found on the official CBK website link: [StrategicPlan_2024-2028_ENG \(bqk-kos.org\)](https://bqk-kos.org/StrategicPlan_2024-2028_ENG)

6. CBK organizational structure, effective as of 31 December 2024



*Function

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I. Kosovo's economy in 2024

1. Macroeconomic overview

Kosovo's economy has recorded a steady growth by 4.4 percent of GDP in 2024, supported by consumption, investments and exports, while imports continued to be high, a component that negatively affected the calculation of GDP. The contribution of consumption to annual GDP growth was higher compared to the previous year, attributed to increased consumer confidence and slowing inflation. Public investments and increased exports of services were also supportive factors. However, imports of goods and services increased the trade deficit and, consequently, negatively affected the real growth. For 2025, the CBK forecasts real GDP growth of 4.1 percent, supported by domestic demand and exports. Increased geopolitical uncertainties and implications for major economic partners may negatively affect the projected growth. The average inflation rate slowed to 1.6 percent in 2024, mainly as a result of dynamics in fuel and food prices. Meanwhile, increased inflationary pressures during 2025 have translated into higher expected inflation rates. The CBK forecasts an inflation rate of 3.3 percent, a dynamic influenced by increased pressures in food and electricity prices throughout 2025.

The enterprise sector was characterized by increased turnover and a higher rate of new enterprise registrations, with the trade and manufacturing sectors dominating. Labor force participation increased, although it still remains relatively low, especially for women.

In the fiscal sector, revenues increased by 11.0 percent, as a result of increased economic activity and improved revenue collection, while expenditures increased by 8.3 percent. Public debt increased by 4.6 percent, but remains at low levels. In the external sector, the trade balance of goods widened, increasing the current account deficit and neutralizing the positive effect of the increase in other sources, mainly services and primary income.

1.1. Euro area

The euro area economy grew at a modest pace in 2024, after a period of stagnation in 2023. According to preliminary data from Eurostat, economic growth was 0.9 percent in 2024, compared to 0.4 percent in the previous year. This growth was mainly driven by the positive performance of private consumption, supported by the growth of real incomes and slowdown in inflation, as well as improved consumer confidence. On the other hand, poor investments partly reflect the high cost of financing, decline in profit margins, alongside lower productivity and increased uncertainties. The low competitiveness of European goods negatively affected exports and manufacturing industry, causing economic growth to be generated mainly by the services sector.

The economic growth dynamics were mixed, with notable differences across the major economies of the euro area. GDP continued to shrink by -0.2 percent in Germany and -1.2 percent in Austria, while growth was recorded in Spain, France and Italy (see Table 1). These differences reflect differences in sectorial economic models, fiscal and monetary policy and real estate market dynamics. Emerging economies recorded stronger growth, mainly driven by increased tourism and convergence with advanced economies.

The ECB's projections suggest economic growth by 0.9 percent in 2025, based on expectations of increased private consumption, driven by rising real household incomes, easing financing conditions, and a gradual recovery in investment and exports, driven by improving global trade. However, the projections remain sensitive to risks, such as the deterioration of trade relations with the United States and implications for exports and investment, ongoing geopolitical tensions, the slow unwinding of the tightening effect of monetary policy following the easing, and others.

The labor market continued to be characterized by positive developments during 2024. The unemployment rate fell to 6.4 percent from 6.6 percent in 2023, remaining at historically low levels. Employment growth, based on expectations of a recovery in economic activity and real wage growth, slowed to 0.4 percent in 2024 from 0.6 percent in the previous year. This development signals stabilization in the labor market after a period of strong employment growth, as the cyclical dynamics that drove employment are expected to gradually fade.

Table 1. Basic macroeconomic indicators in the euro area

Description	Real GDP (%)				Inflation (%)				Unemployment (%)			
	2022	2023	2024	2025p	2022	2023	2024	2025p	2022	2023	2024	2025p
Euro area	3.5	0.4	0.9	0.9*	8.4	5.4	2.4	2.3*	6.8	6.6	6.4	6.3
Austria	5.3	-1.0	-1.2	-0.3	8.6	7.7	2.9	2.9	4.8	5.1	5.2	5.3
France	2.6	0.9	1.2	0.6	5.9	5.7	2.3	0.9	7.3	7.3	7.4	7.9
Germany	1.4	-0.3	-0.2	0.0	8.7	6.0	2.5	2.4	3.2	3.1	3.4	3.6
Greece	5.7	2.3	2.3	2.3	9.3	4.2	3.0	2.8	12.5	11.1	10.1	9.3
Italy	4.8	0.7	0.7	0.7	8.7	5.9	1.1	1.8	8.1	7.7	6.5	5.9
Spain	6.2	2.7	3.2	2.6	8.3	3.4	2.9	2.3	13.0	12.2	11.4	10.4

Source: Eurostat (June 2025), ECB (March 2025), and European Commission (May 2025).

*The data are according to ECB and European Commission estimates and forecasts.

Inflation in euro area e in 2024 slowed to 2.4 percent, from 5.4 percent in the previous year. Falling energy prices and stabilization of supply chains contributed to this slowdown, together with tighter financing conditions. Food and commodity prices also slowed, helped by improving supply and relatively weak economic activity. On the other hand, despite the slowdown, inflation remained high in the services sector as one of the main contributors to price increases, driven mainly by wage increases in this sector (see Chart 1). These dynamics were also reflected in core inflation, which was 0.4 percentage points higher than the overall rate, signaling continued domestic inflationary pressures.

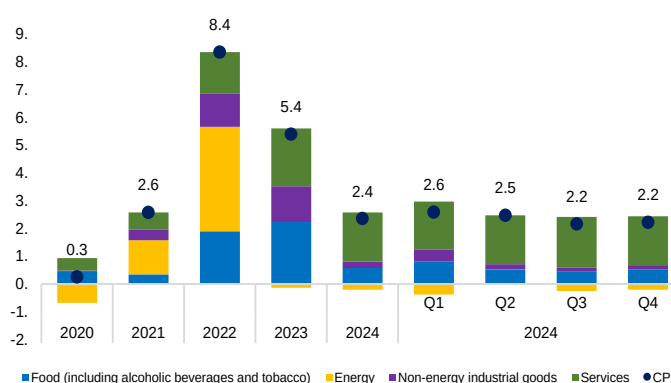
The ECB's projections suggest a continued slowdown in inflation, with the average annual inflation rate expected to be around 2.3 percent in 2025 and 1.9 percent in 2026. The downward trend in inflation is expected to be driven by the core component, namely services, as inflationary pressures in wages decline and continued impact of tight financing conditions. Similarly, the forecasts suggest a slowdown in core inflation, which is expected to increase by 2.2 and 2.0 percent in 2025 and 2026, respectively.

The main risks are tilted to the upside and include, among others, the increase in trade tensions and implications for the exchange rate, geopolitical tensions and climatic conditions.

In 2024, the ECB took steps to ease monetary policy, gradually lowering interest rates. From June to December 2024, the deposit rate was reduced by 1.0 percentage point, while the refinancing operations and marginal lending rates were reduced by 1.35 percentage points. These actions were intended to support economic growth, while inflation had shown a downward trend.

According to the ECB Bank Lending Survey, throughout 2024, lending standards continued to tighten overall, with some easing trends in specific sectors. Lending standards for enterprises and consumer loans to households tightened, as banks' perceived risk increased and risk tolerance

Chart 1. Inflation in euro area, by main categories



Source: Eurostat (2025)

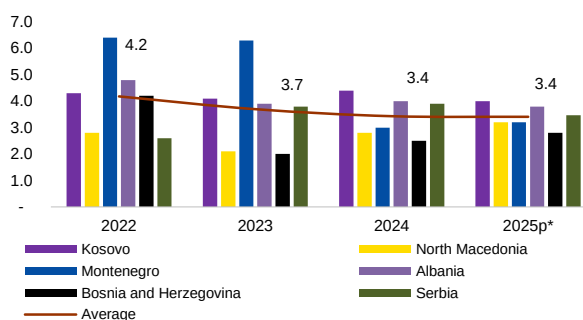
decreased. While lending standards for household mortgage loans eased, as competition in the banking sector increased. Loan demand from enterprises fell sharply at the beginning of the year, driven by high interest rates and poor investments, but improved in the second half of the year as interest rates decreased. Similarly, household demand for mortgage loans increased markedly from the second half of the year, driven by lower interest rates and the improving outlook for the real estate market, while demand for consumer loans increased modestly.

1.2. Western Balkans

Economic activity in countries of the Western Balkans (WB) in 2024 marked an average growth of 3.4 percent (3.7 percent in 2023). The highest growth, compared to other countries in the region, was recorded in Kosovo (4.4 percent), while the lowest growth was recorded in Bosnia and Herzegovina (2.5 percent). Economic activity in the region, including Kosovo, was mainly supported by the reduction of inflationary pressures and the increase in lending, a factor that translated into increased consumption and investment. Consumption continues to be the main factor of economic growth in the region, driven by the increase in wages, public spending and improvement of the labor market. However, external demand remains weak as a result of the economic slowdown in key European partners, having a negative impact on trade growth. IMF projections for 2025 suggest an average growth of 3.4 percent in the WB region (see Chart 2). The slowdown in economic activity in the euro area, the region's main trading partner and important source of investment, is expected to be a determining factor in the overall economic dynamics of the WB countries. Furthermore, challenges such as global economic dynamics, inflationary pressures and geopolitical uncertainty may affect the sustainability of economic growth in the region.

The average inflation rate in the WB countries in 2024 slowed to 3.2 percent, from 7.7 percent in 2023. The highest inflation rate was marked in Serbia (4.8 percent), while Kosovo had the lowest rate of 1.6 percent (see Table 2). Factors expected to influence the slowdown in inflation in WB in the coming years include the continuation of supply chain easing and stabilization of energy prices, along with monetary policy measures aimed at keeping inflation at controlled levels.

Chart 2. Annual GDP growth rate in Western Balkans



Source: Eurostat, and the respective Statistical Agencies of WB (2025)

*IMF projections (WEO April 2025).

Lending activity in the countries of the region, including Kosovo, has accelerated compared to the previous year. The highest lending growth rate was recorded in Kosovo, with 18.3 percent, followed by Montenegro with 13.3 percent and Albania with 12.8 percent (see Table 2). Non-performing loans also decreased in all countries of the region. However, differences between countries remain noticeable: Montenegro continues to have the highest level of non-performing loans, followed by Albania, while Kosovo continues to have the lowest rate of non-performing loans (see Table 2).

Table 2. Basic macroeconomic indicators in the Western Balkans

Description	Inflation (%)				Current account balance (% of GDP)				Credit growth (%)				Nonperforming loans (%)				Unemployment (%)			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
Kosovo	3.4	11.6	4.9	1.6	(9.4)	(10.3)	(7.6)	(9.0)	15.5	16.0	13.0	18.3	2.3	2.0	2.0	1.9	20.8	12.6	10.9	n/a
North Macedonia	3.4	14.0	9.0	4.2	(2.8)	(6.1)	0.4	(2.3)	8.9	6.4	2.8	10.8	3.1	2.8	2.7	2.6	15.4	14.4	13.1	13.0
Montenegro	2.5	11.9	8.7	3.6	(9.2)	(12.9)	(11.4)	(17.4)	3.6	4.7	6.6	13.3	6.8	6.3	5.8	4.1	n/a	n/a	n/a	n/a
Albania	2.3	6.6	5.3	2.6	(7.6)	(5.8)	(1.2)	(2.4)	6.4	8.9	11.9	12.8	5.4	4.8	4.6	4.0	11.5	10.8	9.5	8.8
Bosnia and Herzegovina	2.0	14.0	6.1	2.2	(1.8)	(4.4)	(2.3)	(3.6)	8.4	10.0	4.8	9.8	5.8	4.5	3.8	3.2	17.4	15.4	13.2	13.2
Serbia	4.0	11.7	12.1	4.8	(4.1)	(6.5)	(2.3)	(6.3)	9.7	7.1	1.1	8.8	3.6	3.0	3.2	2.5	11.1	9.5	9.4	8.6

Source: Eurostat, IMF, Statistical Agencies, and Central Banks of the WB countries (2025).

In 2024, the foreign exchange market was volatile, with the euro experiencing changes in relation to the main currencies of the region and beyond. The euro appreciated against the Turkish lira, reflecting macroeconomic developments and inflationary pressures in Turkey, which contributed to the weakening of its currency. Meanwhile, the euro depreciated against the Albanian lek, the Great Britain pound and Swiss franc. Meanwhile, the Euro remained almost unchanged against the Macedonian denar and the US dollar, suggesting a more stable balance in these markets, as a result of prudent monetary policies.

1.3. Real sector

1.3.1 Gross Domestic Product

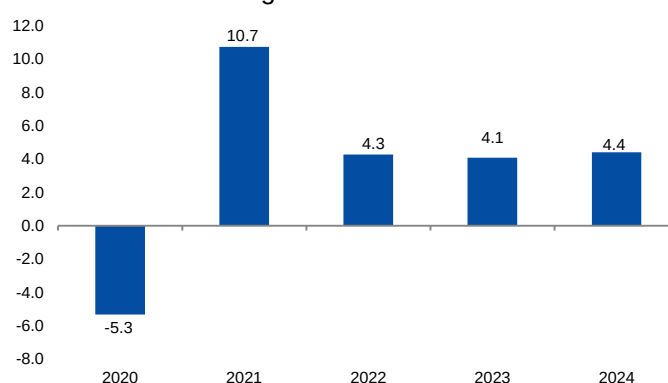
The economy of Kosovo has continued with steady growth and improved macroeconomic conditions in 2024. According to the quarterly estimates of the Kosovo Agency of Statistics (KAS), real GDP increased by 4.4 percent in 2024 (see Chart 3), growth supported by consumption, investments and exports of goods and services, while imports of goods and services marked a significant negative impact on economic activity.

Consumption, as the main component of domestic demand, contributed by 4.8

percentage points to real GDP growth, compared to 3.4 percentage points in 2023. The increase in consumption is supported by the increase in the main sources of financing, slowdown in price growth, as well as improvement in consumer confidence. Investment contributed by 2.0 percentage points to real GDP growth, compared to 1.2 percentage points in 2023, mainly as a result of the increase in public investment.

Within the GDP components, the change in net exports contributed to and negatively corrected the GDP result by 2.4 percentage points, with exports of goods and services contributing by 3.8 percentage points, while imports contributed negatively by 6.2 percentage points. The increase in the trade deficit was the result of an increase in the import of goods and services by 8.9 percent (imports of goods increased by 7.0 percent in real terms and imports of services increased by 16.4 percent). Meanwhile, the increase in diaspora visits to Kosovo resulted in a real increase in export of services by 10.8 percent, and exports of goods increased by 5.7 percent in real terms.

As for the year 2025, the CBK projections suggest that economic activity will increase by 4.1 percent. Overall, economic activity will remain supported by consumption, investment and exports, while international trade challenges and global uncertainty may have a continued negative impact

Chart 3. Real GDP growth rate

Source: KAS (2025)

on the pace of economic growth. Some factors that are expected to affect this growth are the income from the diaspora and the stabilization of prices in international markets, which may affect the increase in the trust of consumers and investors. Domestic demand is expected to contribute by 5.7 percentage points to GDP growth, while net exports are expected to contribute negatively by 1.7 percentage points. Consumption is expected to contribute by 3.3 percentage points, supported by the increase in remittances, employee compensation and individual/personal loans. Investments are expected to contribute by 2.4 percentage points, mainly from private investments. Exports of goods and services are expected to have a positive impact of 2.7 percentage points, particularly due to increased diaspora spending, while imports of goods and services will contribute negatively by 4.4 percentage points.

However, the economic perspective faces risks and uncertainties that could negatively impact the economic activity. Geopolitical tensions could affect energy prices and supply chains, with negative effects on trade and investment. A potential slowdown of economic activity in the EU poses a risk to Kosovo's economic growth.

1.3.2 Prices

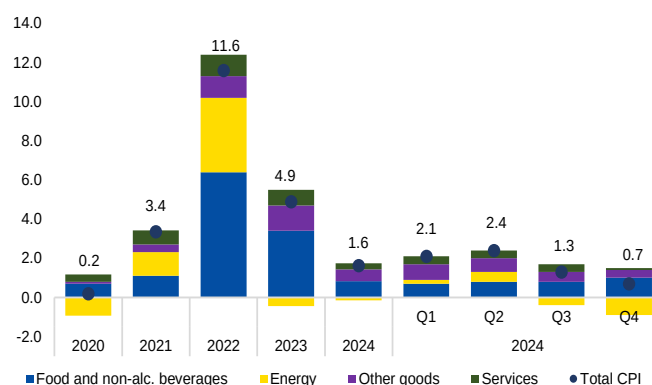
The prices in Kosovo continued to follow a downward trend throughout 2024, thanks to the easing of external inflationary pressures, as a result of the stabilization of supply and the decline in prices of basic goods in international markets. The inflation rate in 2024 resulted in 1.6 percent compared to 4.9 percent in 2023 (see Chart 4). This slowdown was supported by the decline in fuel and food prices in international markets, which was reflected in a decline in fuel prices and a slowdown in the increase of food prices in the country.

Moreover, a slowdown in the increase of prices of other goods and services was also evident. Despite the accelerated economic growth in 2024, no inflationary pressures were evident in consumer prices from domestic demand, mainly as a result of the economy's dependence on imported goods, which marked a slowdown in price increase.

The main contribution to the inflation rate was generated by the food and non-alcoholic beverages category, with 0.8 percentage points. Slower increase of prices was evident in all food subcategories, with the exception of dairy and vegetable prices, which recorded an annual decline, and oils and fats prices, which recorded a slight decline in 2024. On the other hand, strong inflationary pressures were evident in the prices of coffee, tea, and cocoa as a result of higher import prices of these goods due to supply shocks from adverse climatic conditions.

Meanwhile, the contribution from energy prices remained negative, although it contracted from -0.4 percentage points in 2023 to -0.1 percentage points in 2024. Although oil prices followed a downward trend throughout 2024, the effect of the lower base in the previous year contributed to the contraction of negative contribution from this category. Slower increase was noticed in electricity prices, which are regulated, as well as in solid fuel prices, which can be attributed to the increase in the use of more efficient heating equipment.

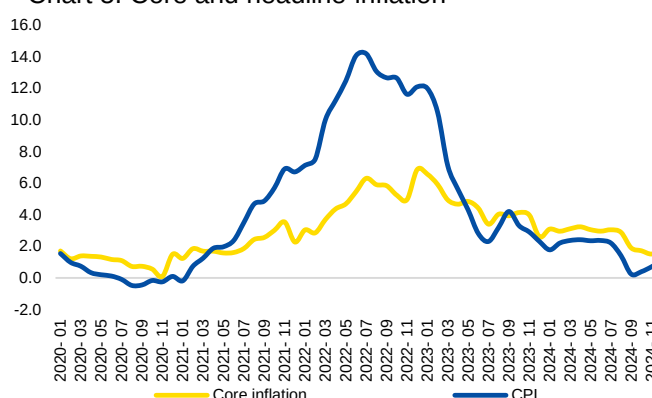
Chart 4. Inflation in Kosovo, by main categories



Source: KAS (2025) and CBK calculations.

The mitigation of inflationary pressures was also reflected in the slowdown in core inflation, which resulted in an average annual rate of 2.6 percent in 2024 compared to 4.4 percent in 2023. However, the pace of decline in core inflation was slower than that of overall inflation, with core inflation remaining higher than overall inflation throughout 2024 (see Chart 5). The main contribution to core inflation was marked by the increase in prices of transportation, furniture, various goods and services, and recreation and culture. Slower increase was evident in all subcategories with the exception of recreation and culture prices, with increased inflationary pressures in the first half of 2024.

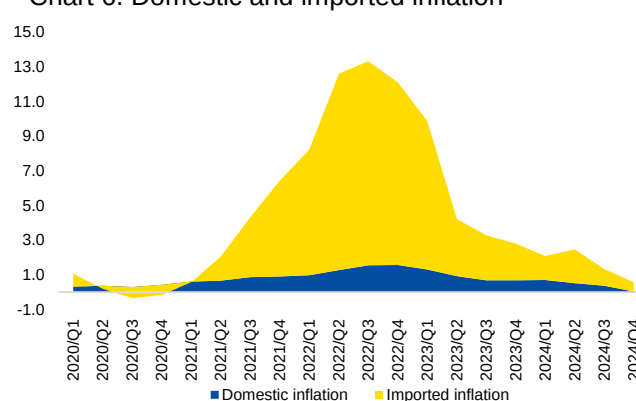
Chart 5. Core and headline inflation



Source: KAS and CBK calculations (2025)

The dependence of the economy of Kosovo on import of food and energy goods, as well as the high weight of these goods in the consumer basket, means that the inflation rate in Kosovo is largely determined by the prices of imported goods (see Chart 6). In 2024, as a result of imported goods the inflation rate in Kosovo was 1.2 percentage points, while 0.4 percentage points were generated domestically. During 2024, a slowdown in domestically generated inflationary pressures was noticed, which mainly coincides with the slower increase in the prices of electricity, household goods and services, hotel services and some other domestically generated services.

Chart 6. Domestic and imported inflation



Source: KAS and CBK calculations (2025)

According to the KAS import price index (IPI) the prices of imported goods in Kosovo marked a slower increase of 0.8 percent in 2024 from 4.2 percent in 2023. The slowdown was supported by the prices of mineral products and basic metals, which constitute about 25 percent of imported goods and which marked a decrease by 3.9 and 1.8 percent respectively. In addition, the slower increase in the prices of foodstuffs, beverages and tobacco, machinery and electrical equipment, and means of transportation contributed to the performance of this index.

Meanwhile, acceleration in the growth of indexes that signal the cost of domestic production was noticed, such as the producer price index (PPI) and the construction cost index (CCI). The PPI resulted in an increase by 4.6 percent compared to a decrease by 3.1 percent in 2023. The main contribution to this increase was the increase in the prices of electricity, gas, steam and air conditioning supply by 10.2 percent, food processing by 5.2 percent, paper production by 11.3 percent, wood production by 7.4 percent, and others. Likewise, the CCI marked an increase by 3.4 percent, which represents an accelerated increase compared to 0.6 percent in the previous year. The increase in this index was mainly dictated by the increase in wages in construction by 14.1 percent, increase in transport and energy prices by 7.2 and 10.2 percent, respectively, as well as the increase in material prices by 1.8 percent. Meanwhile, only machinery prices recorded a decrease by 0.2 percent.

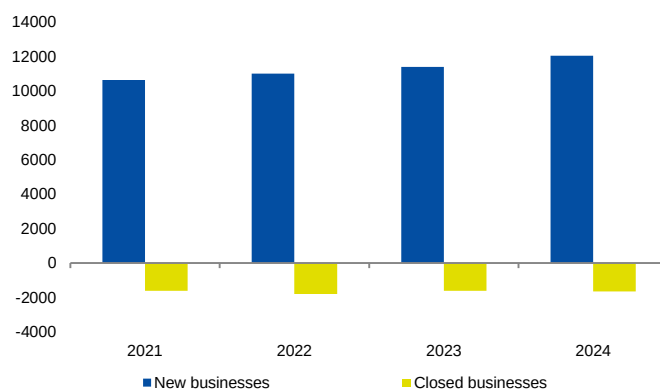
CBK forecasts suggest that the overall inflation rate in the country is expected to be around 3.3 percent in 2025. The decline in food and oil prices in international markets may mitigate inflationary pressures. However, meeting additional electricity needs, geopolitical tensions, trade restrictions and climatic conditions may cause a higher inflation.

1.3.3 Enterprises

According to TAK data, the enterprises' turnover in 2024 increased by 4.6 percent. The trade sector, together with the manufacturing sector, are the two economic sectors with the highest share in the turnover of total enterprises (48.8 percent and 13.0 percent, respectively). During 2024, the turnover in these two sectors increased. In the trade sector, the average increase was 6.2 percent, while in the manufacturing sector it was lower, with an increase by 3.3 percent.

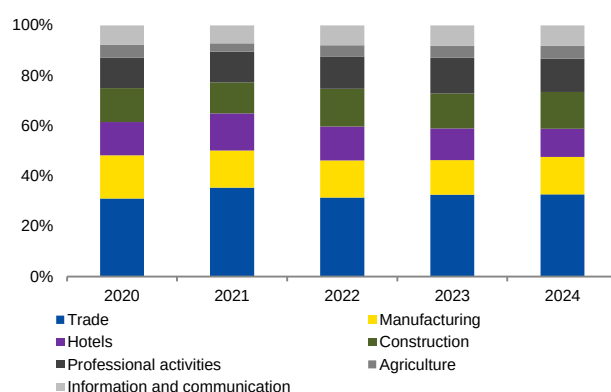
As for business registration, more businesses have been registered and closed in 2024, compared to 2023. The number of new businesses registered was 12,051, representing an increase by 5.6 percent compared to 2023, while 1,637 businesses have been closed, or 2.2 percent more than in 2022 (see Chart 7). The trade sector remains the sector with the largest number of registered businesses, representing 24.7 percent of the total new businesses registered, followed by the manufacturing sector with 11.2 percent, construction sector with 11.0 percent, professional activities with 9.9 percent, hospitality with 8.5 percent, etc. (see Chart 8). Compared to 2023, 222 more enterprises have been registered in the trade sector, 187 in the manufacturing sector, and 161 in the construction sector. The sectors with the lowest number of registered enterprises compared to 2023 were the hospitality sector with 37 fewer enterprises, education sector with 28, electricity supply sector with 25, and the immovable sector with 21 fewer enterprises.

Chart 7. Business registry



Source: KAS (2025)

Chart 8. Structure of new enterprises



Source: KAS (2025)

1.3.4. Labor market

The labor force participation rate in 2024 was 43.2 percent, marking an increase by 2.5 percentage points compared to the previous year. However, this level is considered relatively low, due to a significant portion of the population at a relatively young age (pupils, students), as well as discouraged employees and people who are not actively looking for jobs.

According to the KAS's Labor Force Survey, the average employment rate in 2024 was 38.6 percent, representing an annual increase of 2.3 percentage points. The employment rate was higher among men with 55.9 percent, recording an annual increase of 2.5 percentage points compared to the

previous year. Meanwhile, the percentage of employed women was 21.2 percent, marking an annual increase of 1.4 percentage points compared to 2023.

Also, according to data from the aforementioned survey, the population of age group 35-44 years has the highest employment rate (51.1 percent), while the age group 15-24 years (according to KAS categorization) has the lowest employment rate (19.4 percent). By educational level, the highest employment rate is found to be among the workforce with higher education, followed by those with secondary education.

Also dictated by the structure of the economy, the employment rate was highest in the trade sector (19.5 percent of employees), followed by the construction sector (12.6 percent), manufacturing sector (10.6 percent), education sector (8.8 percent), etc. Compared to 2023, the data show an increase in the participation of employees in the construction and manufacturing sectors, while the participation of employees in the trade sector was lower.

Official labor market statistics show that the average unemployment rate in 2024 was 10.8 percent, a slightly lower level than in the previous year (10.9 percent). On a gender basis, the labor market in Kosovo was characterized by a higher unemployment rate among women (18.0 percent) than among men (7.7 percent). However, education has improved prospects in the labor market in Kosovo, with the highest unemployment rate for people without education (around 55.9 percent), while the lowest for those with tertiary education (6.5 percent).

1.4. Fiscal sector

During 2024, the fiscal sector was characterized by a significant increase in budget revenues and expenditures. Budget revenues¹ reached a net value of 3.1 billion euros, recording an annual increase of 11.0 percent. This increase was the result of increased economic activity, improved revenue collection processes and strengthened activities against tax evasion, contributing to a very low primary budget deficit (-0.1 percent as a percentage of GDP).

In the tax revenue category, almost all components recorded an increase. The highest increase was recorded in indirect tax revenues, which reached a value of 2.3 billion euros, which constitutes an increase of 10.6 percent compared to 2023. Direct tax revenues recorded an increase by 5.5 percent, reaching a value of 517.2 million euros. Meanwhile, non-tax revenues recorded an increase by 26.5 percent, reaching a value of 337.7 million euros.

Budgetary expenditures² increased by 8.3 percent, reaching a value of 3.1 billion euros. The category that marked the highest increase was that of capital expenditures by 16.7 percent or 654.7 million euros. Current expenditures increased by 6.3 percent, reaching a value of 2.5 billion euros. In the category of current expenditures, wage expenditures increased by 10.0 percent, reaching a value of 843.7 million euros, while government expenditures for goods and services (including municipal ones) increased by 7.8 percent, reaching a value of 491.0 million euros. Subsidies and transfers increased by 3.3 percent, reaching a value of 1.1 billion euros.

Public debt in 2024 reached the value of 1.74 billion euros, marking an increase by 4.6 percent compared to the previous year. Despite this, the percentage of public debt in relation to GDP dropped to 16.5 percent, from 17.5 percent in 2023. Due to the increase in Government liquidity, domestic public debt decreased by 0.8 percent, amounting to 962.2 million euros, while external public debt increased by 12.2 percent, reaching the value of 777.2 million euros, or 44.7 percent of the total public debt.

¹ Receipts from state borrowings are not included in budget revenues.

² Payments from financing are not included within the budget expenditures.

The amount announced in auctions during 2024 reached the value of 270 million euros or 86.2 percent more compared to 2023. The amount received was 253.6 million euros, or 137.3 percent more than in 2023. The demand for investments in government bonds and bills was also higher by 165.3 percent compared to 2023. The average interest rate in Securities of Government of Kosovo increased, reaching 3.86 percent, compared to 3.35 percent in 2023. The structure of Securities of the Government of Kosovo in 2024 was mainly dominated by securities with a five-year maturity, which accounted to 35.8 percent of total securities. This is a significant change from last year's structure, when three-year securities accounted for 51.5 percent of total securities.

1.5. External sector

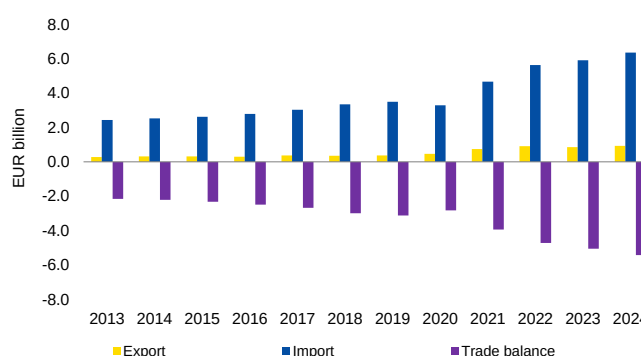
The balance of payments in 2024 was characterized by an increase in the deficit in the current and financial accounts compared to the previous year, while the capital account balance marked a decrease in the positive balance. The increase in the current account deficit was affected by the deterioration of the trade balance of goods, as one of the determining categories, and partly by the decline in the positive balance of secondary income. On the other hand, the services sector and primary income had a positive impact on the overall current account deficit, but this impact was insufficient to avoid its increase.

The current account deficit reached the value of 914.8 million euros, or 8.9 percent of GDP, marking an annual increase by 25.4 percent. This expansion was mainly affected by the increase in the trade deficit in goods, which marked an increase by 7.1 percent, reaching the value of 4.9 billion euros, as well as by the slight decrease of 1.9 percent in secondary income, which contracted to 2.0 billion euros. However, this deepening of the deficit was partially offset by the increase in the positive balance of services, which expanded by 9.9 percent and reached 1.8 billion euros, as well as by the improvement of the balance of primary income by 9.7 percent, reaching 218.2 million euros.

The exports of goods reached the value of 943.6 million euros, marking an annual increase of 9.3 percent (see Chart 9). This increase was mainly supported by positive performance in several sectors, with exports of basic metals, as the most important category, marking an increase of 22.6 percent, reaching the value of 220.9 million euros, influenced by the increase in demand for metals in international markets. After metals, exports of goods also marked an increase in plastic and rubber products, reaching

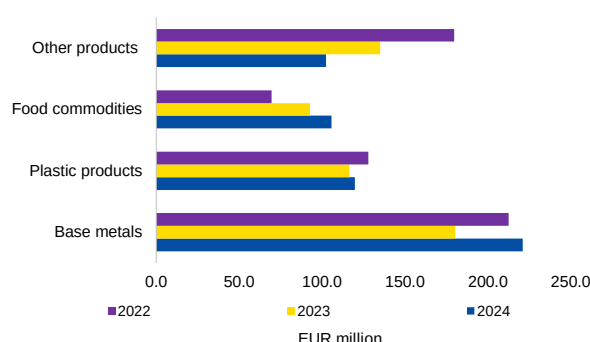
119.8 million euros or 2.9 percent annual growth. Exports of foodstuffs marked an increase by 13.9 percent and reached a value of 105.6 million euros (see Chart 10). From a geographical point of view, the Western Balkans remains Kosovo's main partner, with 45.4 percent of total exports, with Albania and North Macedonia as the main destinations. While EU countries account for 33.1

Chart 9. Exports, imports and trade balance of goods



Source: KAS (2025)

Chart 10. Export of goods by category



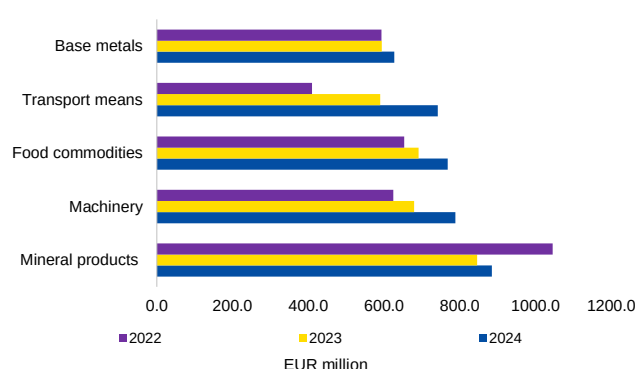
Source: CBK (2025)

percent of total exports, with Germany as the main destination. While the structure of exported goods remained geographically concentrated, Kosovo maintained the geographical spread of goods exports to a total of 148 countries.

The value of the total goods imported during 2024 reached 6.4 billion euros or 61.8 percent of GDP, marking an annual increase by 7.8 percent. This increase is mainly attributed to the increase in domestic demand, which was reflected in the increase in the quantity and weight of imported goods, which marked an increase of 6.7 and 6.8 percent respectively. The structure of imported goods remained unchanged, dominated by mineral products, machinery and foodstuffs (see Chart 11). The largest share of imported goods was intermediate goods, with 45.1 percent of total imports, while consumer goods have a lower share, 33.8 percent. The share of capital goods remains low, at 11.1 percent, but has marked an annual increase of 17.2 percent. Imports of goods continue to maintain the same geographical structure, with 44.7 percent of goods imported from EU countries, 14.4 percent from Turkey, 13.4 percent from countries in the region, and 11.9 percent from China.

The services balance reached 1.8 billion euros (17.4 percent of GDP), marking an annual increase of 9.9 percent. However, this growth was slower compared to the growth of 18.7 percent in 2023, mainly influenced by the increase in the import of services. The export of services marked an increase of 13.4 percent, reaching a value of 3.4 billion euros, with the main contribution from travel services, which marked an increase of 9.9 percent and reached 2.4 billion euros. The dynamics in this category mainly reflect the spending of the diaspora in Kosovo, but

Chart 11. Import of goods by categories



Source: CBK (2025)

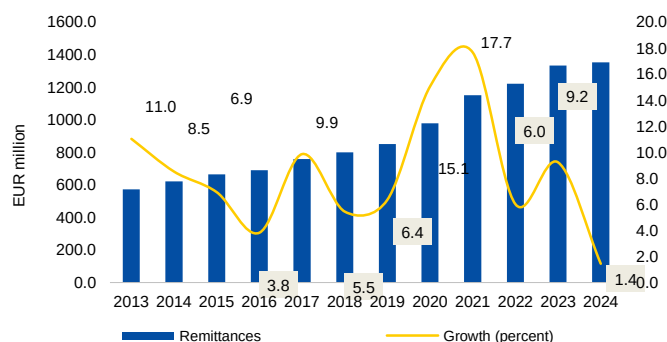
also the increase in the number of passengers and flights compared to the previous year. The growth in the export of services was also influenced by computer, information and telecommunications services, by 21.8 percent, reaching a value of 348.4 million euros. Also, other business services have contributed with a significant increase of 32.9 percent, reaching a value of 261.2 million euros. On the other hand, the import of services marked an increase of 17.7 percent, mainly from travel services, which increased by 18.7 percent, reaching 742.8 million euros, or 47.2 percent of total import of services. This trend has been influenced by the liberalization of visas with EU countries, which has stimulated the increase in travel abroad. Also, the import of transport services marked a significant increase of 25.8 percent, reaching 339.8 million euros. The increase in the export of IT services and other business services is an important indicator of the transformation of the services sector and the diversification of exports. However, the significant increase in imports may negatively affect the overall balance of services.

The primary income balance in 2024 reached 215.4 million euros, marking an increase of 8.3 percent. Compensation of employees has contributed significantly to this improvement, with an annual increase of 22.1 percent, reaching 412.9 million euros. On the other hand, the investment income balance has continued the negative trend, marking a negative balance of 201.4 million euros, as a result of the increase in the negative balance of direct investments, mainly influenced by newly invested profits.

Remittances, as one of the main sources of secondary income, reached 1.35 billion euros, or 13.1 percent of GDP, marking a slower growth of 1.4 percent compared to the growth of 9.2 percent in 2023 (see Chart 12). This slowdown may be a consequence of economic uncertainty and still high inflation in the countries where the Kosovo diaspora lives and works, reducing their ability to send remittances. Germany and Switzerland continue to be the main sources of remittances, which account for 56.2 percent of total remittances, followed by the US and other EU countries. Remittances through formal channels, such as banks and money transfer agencies, marked an annual growth of 2.0 percent, while remittances through informal channels remained at the same level as last year.

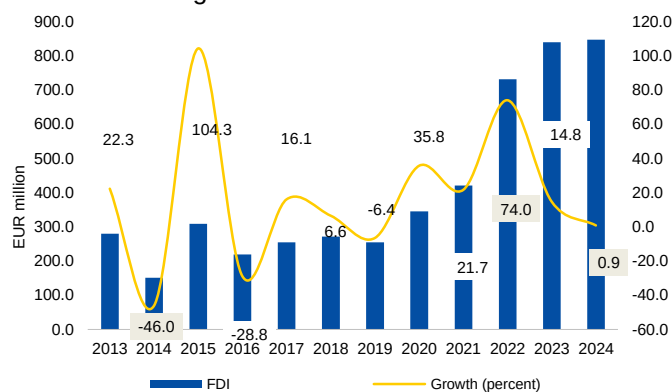
Within the financial account, FDI reached 847.4 million euros (8.2 percent of GDP) and recorded a slower growth of 0.9 percent, compared to a growth of 14.8 percent in 2023 (see Chart 13). The real estate sector continues to dominate, with 76.5 percent of total FDI, marking an increase of 25.4 percent and reaching a value of 648.6 million euros, mainly influenced by the increase in real estate prices and the high demand for real estate. The three main countries from which FDI comes are Germany with 23.7 percent of total FDI, Switzerland with 22.2 percent and the USA with 10.4 percent. On the other hand, direct investments of residents from Kosovo abroad marked a significant increase, reaching 224.3 million euros, an annual increase of 18.1 percent. These investments were mainly oriented towards the real estate sector in the countries of the region, reflecting capital diversification and the growing demand for investments outside Kosovo.

Chart 12. Remittances



Source: CBK (2025)

Chart 13. Foreign Direct Investments



Source: CBK (2025)

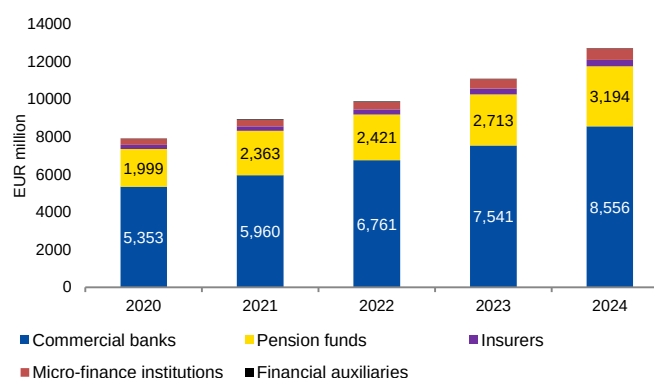
II. CBK activity in 2024

1. Financial Stability

1.1. Financial sector

The financial system in the country has continued to expand further during 2024, marking an accelerated annual growth of assets (see Chart 14)³. The assets of the financial system in December 2024 reached the value of 12.75 billion euros, or an annual growth of 14.8 percent from 12.4 percent in the previous year. The main contribution to the expansion of the financial system continues to be the accelerated growth of the banking sector, which represents the sector with the largest share within the financial system, with a share of 67.1 percent in December 2024. Pension funds and financial auxiliaries were also characterized by accelerated growth, while the insurance and microfinance sectors recorded slower annual growth compared to the previous year.

Chart 14. Assets value of Kosovo's financial system



Source: CBK (2025)

The number of financial institutions by the end of 2024 reached 139 from 136 a year earlier. During this year, four financial auxiliaries were added, while one bank with foreign capital under the lead of the CBK voluntarily terminated its banking activity and had its license revoked.

1.2. Activities in the field of financial stability

In line with its primary goal of maintaining financial stability, the CBK has intensified monitoring and assessment of systemic risks through a structured and continuous approach. This process included identification and assessment of risks at regular monthly, quarterly, semi-annual and annual intervals, relying on in-depth qualitative and quantitative analyses, the construction of macroeconomic and financial scenarios, as well as the calibration of models that address the cyclical, structural and cross-sectorial dimensions of systemic risk.

This comprehensive, risk-based and data-driven approach, which combines analytical models and practical experience to identify and assess risks that may have a direct impact on Kosovo's financial stability, has helped inform the public about the situation with the financial system, increase transparency and stimulate professional debate on challenges and prospects of the financial sector in the country.

In a continuous effort to advance these analytical capacities in step with global developments in this field, the CBK has improved its macroeconomic forecasting and macroprudential stress test models. In cooperation with the International Monetary Fund (IMF), the revision of the Macroprudential Stress Test Model was finalized in 2024, which will strengthen the institutional policy-making process by strengthening analytical capacities for risk assessment and testing the resilience of the sector to potential risks to financial stability.

³ Some of the data for the financial sector presented in this report include unaudited data, which may be subject to change following possible corrections and will be reflected in the periodic publications of the CBK.

Also, during 2024, the CBK has made progress in transforming its macroeconomic model into a more integrated macro econometric model. This model will serve as the basis for macroeconomic projections and for the severe Stress-Test scenarios, contributing to maintaining macro financial stability.

In the interest of transparency and rapid public information, the CBK has continued to publish its regular reports. The Financial Stability Report remains the key publication reflecting the stability of the financial system and the analysis of macroeconomic and financial developments in the country. The Quarterly Economic Assessments provide an overview of the main macroeconomic and financial sector developments. In addition, the Monthly Financial System Information Report summarizes key financial sector indicators and is published monthly.

The CBK continues to conduct the Kosovo Bank Lending Survey (KBLS) on a quarterly basis, which helps to understand developments in the banking sector and serves as an important input for forecasting economic growth and macroeconomic and financial indicators. Furthermore, in line with its mandated objective, the KBLS also includes a section on banks' price expectations in the country, while data on inflation expectations are published on the CBK's official website, together with the Core Inflation Time Series.

1.2.1. Implementation of Macroprudential Measures

The Macroprudential Committee, as an advisory body of the CBK mandated to monitor, model and analyses the dynamics of systemic risks for macroprudential policy-making, met regarding the Macroprudential Policy four times during 2024. In line with the recommendations of the MPC, at the meeting held on 5 September 2024, the Executive Board of the CBK approved the implementation of two macroprudential instruments:

1. Positive Neutral Countercyclical Capital Buffer at a level of 2.0% of banks' risk-weighted assets. The decision entered into force on 1 October 2024, with a full adjustment period until 30 June 2025.
2. Capital Buffer for Other Systemically Important Institutions (O-SII) at a level of up to 1.5% of banks' risk-weighted assets, depending on the level of systemic importance of each bank. The decision entered into force on 1 October 2024, with a full adjustment period until 30 June 2025.

These capital buffers are applicable on top of the minimum capital levels set out in the Regulation on Capital Adequacy of Banks and must be met with Common Equity Tier 1 (CET1) capital. The implementation of these measures is preceded by a detailed analysis of the need for such measures and the assessment of their potential effects on the banking sector and the economy as a whole. In the context of the operationalization of the macroprudential framework, the CBK has also initiated the supplementation/amendment of the Regulation on Capital Adequacy, to include specific chapters on macroprudential capital buffers.

The measures taken represent an important step in strengthening the sector's resilience to manage cyclical and structural risks in the economy.

2. Financial Supervision

2.1. Supervisory Activities of the Banking Sector

During 2024, banking sector supervision activities were conducted in accordance with the mandate to maintain financial stability and ensure the sustainable functioning of the banking system. In this regard, the CBK continued to implement the risk-based supervision approach, which focuses on identifying and assessing the most significant risks that may affect the financial health of individual banks and the system as a whole.

This approach is implemented in accordance with the Risk-Based Bank Supervision Manual, which describes the methodology for planning, conducting and documenting examinations, as well as for determining necessary supervisory measures.

Three full on-site examinations were conducted at the banks, through which key components of each bank's risk profile were assessed, including Credit Risk, Liquidity Risk, Market Risk and Operational Risk.

Table 3. Number of bank examinations, in 2024

Institutions	Type of Examination
Banks	3 full examinations

Source: CBK (2025)

During the full on-site examinations of banks, the risk profile of the banks, internal governance, the risk appetite of banks, their risk management practices were assessed, and implementation of recommendations arising from the CBK's preliminary examinations have been monitored.

Particular attention was paid to credit risk management practices, concentration risk considering the fact that this risk constitutes the main component to which banks operating in the Kosovo financial market are exposed. High exposure to credit risk arises from the very nature of banking activity, where lending constitutes the largest part of asset portfolio of banks. In this context, the CBK has assessed with priority the capacity of banks to identify, measure, monitor and manage credit risk effectively, focusing on credit approval policies and further credit management.

During the on-site examinations, the credit portfolio profile, sectorial structure and exposures to individuals and businesses were analyzed in detail, to identify the most sensitive sectors and to assess the banks' preparedness to respond to possible changes in the economic environment.

During the year, issues related to concentration risk within the framework of credit risk were addressed, ensuring compliance with the legal framework with a positive contribution to the country's financial stability.

Additionally, external macroeconomic developments such as the war in Ukraine, as well as domestic and regional factors such as rising inflation, rising prices in the construction and energy sectors, will be carefully monitored by the CBK, due to the potential impact they may have on the quality of banking sector assets. These factors may affect the ability of borrowers to meet their financial obligations, which will be carefully monitored in the framework of macroprudential supervision, in addition to microprudential supervision.

The liquidity risk was another essential component of the supervisory assessment, due to the faster growth of credit volume in the banking sector compared to the growth of deposits. This dynamic

has been followed by a noticeable increase in competition between banks to attract deposits, by offering higher interest rates, especially on term deposits.

This expansive approach to increasing the deposit-based funding base may have medium-term consequences for the cost of funding, as well as for the structure and stability of liquidity sources. In this regard, the CBK has carefully assessed the short-term and long-term liquidity position of banks, through indicators such as LCR (Liquidity Coverage Ratio) and NSFR (Net Stable Funding Ratio), and has analyzed possible scenarios of market tensions to assess the ability of banks to withstand unexpected shocks to their funding sources.

The CBK will continue to deepen assessments of these two risks during 2025, with a particular focus on systemic banks, those that show accelerated growth rates, or that show signs of deterioration in the risk profile in portfolio quality or funding structure.

This dual focus is consistent with the CBK's efforts to maintain a stable, well-capitalized and protected banking system from unexpected shocks, in line with international supervisory and regulatory standards.

In addition to on-site examinations, regular and systematic monitoring of banks' financial performance was carried out throughout 2024, through the analysis of regular reports submitted to the CBK. This process served as a key instrument for the early identification of potentially risky developments, assisting in the determination of supervisory priorities and drafting of annual examination plans.

In the context of further improvement of the supervisory framework and aligning it with international best practices, the Banking Supervision Department, with the technical support of the International Monetary Fund (IMF), has begun the transition process from the CAMELS model to the SREP (Supervisory Review and Evaluation Process) model. This change represents a strategic step towards strengthening supervisory analytical capacities and integrating a risk-based approach into all components of bank assessment.

The SREP model provides a more structured and comprehensive framework, which includes assessment of business models, internal governance systems, key risks (e.g., credit, operational, market, and liquidity risks), and the adequacy of each bank's capital and liquidity in relation to their risk profile. Detailed guidelines and methodologies are currently being developed, which will ensure full and harmonized implementation of this model in line with practices of the European Banking Authority (EBA) and the Basel Committee on Banking Supervision.

At the same time, in collaboration with FINSAC (a technical assistance center supported by the World Bank), the CBK has launched a project to expand the reporting framework through the implementation of FINREP (Financial Reporting) and COREP (Common Reporting). This project aims to harmonize financial and regulatory reporting standards with those of the European Union, improving the quality, content and comparability of data between financial institutions and supervisory authorities.

Through the implementation of the FINREP/COREP framework, the CBK will have at its disposal more detailed and standardized data for all banks in the country, enabling more in-depth analysis of risks and market trends. This will significantly strengthen the early warning capacity, as well as significantly improve the efficiency of supervision.

These reforms represent key pillars of the transformation of the CBK supervisory framework and its preparation for the challenges and standards of an increasingly interconnected market with the European financial system. Hence, the CBK is building a stronger, more responsive and harmonized supervisory system with modern supervisory requirements.

As a result of the prudent supervisory approach, together with the ever-improving regulatory framework harmonized with international standards, the banking sector in Kosovo continues to demonstrate high stability, being well capitalized and liquid, with high asset quality and financial indicators that demonstrate continued resilience in a challenging macroeconomic environment.

2.1.1 Resolution of Financial Institutions

In 2024, the Central Bank of the Republic of Kosovo established the Recovery and Resolution Department which will act as the Resolution Authority for banks and branches of foreign banks operating in the Republic of Kosovo. As the Resolution Authority, the CBK has the authority to take early and rapid intervention measures when a bank is considered to have failed or is likely to fail, with the aim of ensuring the continuity of critical functions, minimizing the impact of bank failure on financial stability and protecting public funds.

As the Resolution Authority, the Central Bank of the Republic of Kosovo, when implementing resolution instruments and exercising resolution powers, pursues the following objectives:

- Ensuring the continuity of critical bank functions;
- Preventing significant adverse impacts on financial stability, in particular by preventing the spread of risks, protecting market infrastructure and maintaining market discipline;
- Protecting public funds by minimizing extraordinary financial support from the state;
- Protection of insured depositors, in accordance with Law No. 03/L-2016 (as amended and supplemented from time to time); and
- Protection of client funds and assets.

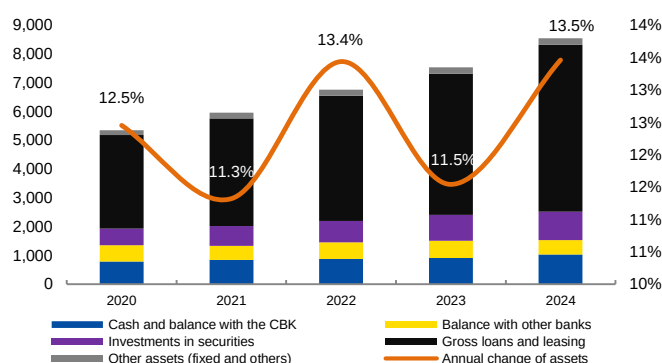
The Resolution Department, as a separate function within the CBK, is operationally independent and clearly separated from other supervisory functions. As such, this Department has a separate line of direct reporting from the Banking Supervision Department and other supervisory functions of the CBK.

2.1.2 Banking Sector

Assets

The assets of the banking sector at the end of 2024 reached 8.56 billion euros, marking an accelerated annual growth of 13.5 percent from 11.5 percent a year earlier (see Chart 15). Lending activity marked an acceleration of the growth trend and was the main item that influenced the expansion of assets of the banking sector in the country (Table 4). The item of cash and balance with the CBK, as the second category with the largest share within the sector's assets, has marked an accelerated annual growth. Meanwhile, as a result of the slowdown in investment growth in foreign markets, the category of securities has marked a slower annual growth. Specifically, cash and balance with the CBK marked an annual growth of 13.4 percent from 3.9 percent in the previous year. Meanwhile,

Chart 15. Main items of the banking sector assets, EUR million



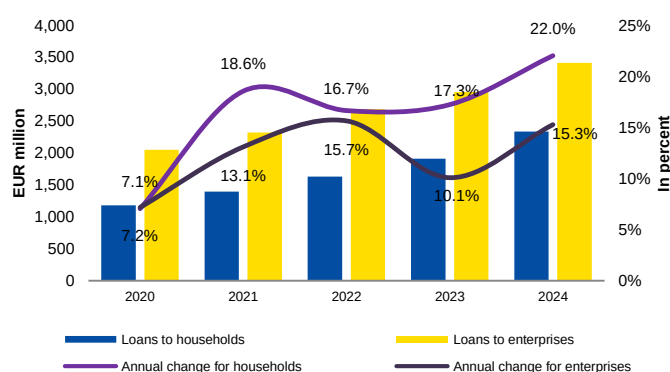
Source: CBK (2025)

investments in securities marked a slowdown in growth, to 10.8 percent from 19.0 percent in the previous year (see Chart 15).

The degree of concentration in the banking market this year also remained at a similar level, with a slight upward trend in some of the concentration indicators. The assets of the five largest banks slightly increased their weight to 79.5 percent of the total assets of the sector from 78.7 percent in the previous year. Meanwhile, the three largest banks have slightly increased their concentration in the market to 52.7 percent from 52.3 percent a year earlier. The voluntary liquidation of a bank with foreign capital under the lead of the CBK

and whose license was revoked, has contributed to a decrease in the participation of foreign banks by 0.7 percentage points, dropping to 83.6 percent at the end of 2024. Herfindahl-Hirschman Index (HHI)⁴ for assets of the banking sector reached 1,412.5 points from 1,391.6 points last year.

Chart 16. Loans to enterprises and to households



Source: CBK (2025)

Table 4. Structure of the banking sector assets

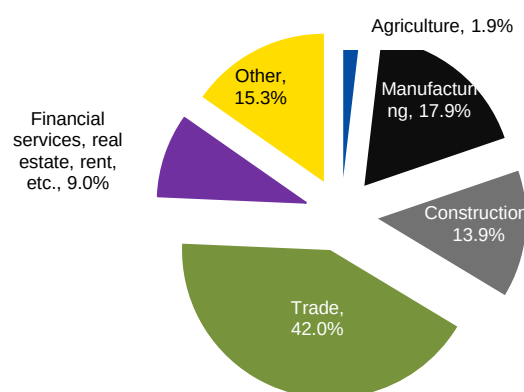
Description	2020		2021		2022		2023		2024	
	EUR million	Share (%)	EUR million	Share (%)	EUR million	Share (%)	EUR million	Share (%)	EUR million	Share (%)
Cash and balance with the CBK	790.6	14.8%	839.9	14.1%	877.4	13.0%	911.8	12.1%	1,035.2	12.1%
Balance with commercial banks	562.2	10.5%	496.1	8.3%	575.2	8.5%	600.0	8.0%	492.2	5.8%
Securities	584.3	10.9%	685.0	11.5%	752.1	11.1%	895.0	11.9%	991.8	11.6%
Gross loans	3,246.6	60.6%	3,748.6	62.9%	4,348.5	64.3%	4,913.8	65.2%	5,813.8	67.9%
Fixed assets	116.4	2.2%	127.4	2.1%	136.1	2.0%	149.5	2.0%	161.0	1.9%
Other assets	53.2	1.0%	62.7	1.1%	71.4	1.1%	71.0	0.9%	62.4	0.7%
Total	5,353.4	100%	5,959.6	100%	6,760.6	100%	7,541.1	100%	8,556.4	100%

Source: CBK (2025)

Loans

At the end of 2024, the total loan stock reached 5.81 billion euros, marking an annual growth of 18.3 percent, accelerating by 5.3 percentage points compared to the previous year. The accelerated growth trend has been driven by the significant expansion of lending to both households and non-financial corporations (see Chart 16). The results of the Bank Lending Survey (BLS) show that lending dynamics during 2024 were mainly influenced by increased credit demand, accompanied by a certain easing of lending conditions.

Chart 17. Loans share by economic sectors, 2024



Source: CBK (2025)

⁴The Herfindahl-Hirschman index (HHI) is a number that shows how concentrated a market is: the higher the number, the fewer companies control that market, and the less competition there is.

The main contribution to the expansion of lending was made by the non-financial corporate segment, which continues to dominate the overall lending structure. For the second year in a row, this sector has been associated with a higher growth in the stock of loans with short-term maturity compared to those with long-term maturity. However, the household segment is growing at a higher rate, expanding its share in the overall lending of the sector more rapidly, and this growth is accompanied by a greater expansion of the stock of loans with long-term maturity. In addition to the overall growth in lending, during 2024 there has also been an increase in financial inclusion, especially in the number of new borrowers. According to data from the Credit Registry of Kosovo (CRK), the number of new borrowers in 2024 reached 23 thousand, marking an annual growth of 6.8 percent compared to a 2.0 percent annual growth in new borrowers in 2023.

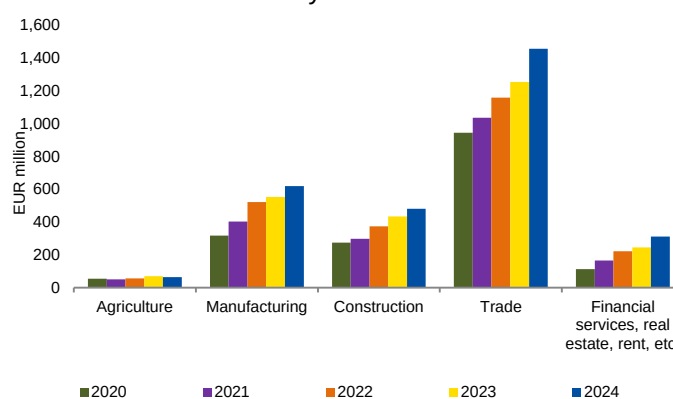
Loans to non-financial corporations recorded an annual growth of 15.3 percent, 5.2 percentage points higher than in the previous year, reaching a value of 3.41 billion euros. This dynamic in the context of lending to NFCs was influenced by the high growth of new investment loans, especially in the second half of the year. Lending activity to NFCs, by economic sector, was characterized by accelerated growth in certain sectors such as wholesale trade, financial services and manufacturing, despite the fact that the economic activity of these sectors has marked a slowdown in real growth.

Meanwhile, lending to the agricultural sector has decreased, despite the increase in economic activity in this sector. More specifically, the wholesale trade sector has recorded an annual increase in the stock of loans of 16.0 percent and continues to remain the category with the largest contribution to the dynamics of loans to enterprises, due to its dominant share of 42.0 percent (see Chart 17). Likewise, the financial services sector and the manufacturing sector have recorded accelerated annual growth of 26.7 percent and 11.9 percent, respectively. Whereas, the construction and agriculture sectors were characterized by a slowdown in growth to 10.6 percent from 15.9 percent, respectively with an annual decline of 9.2 percent compared to the growth of 25.8 percent in the previous year (see Chart 18).

New loans to non-financial corporations during 2024 recorded a high annual growth of 18.3 percent from 7.1 percent in the same period of the previous year, reaching a value of 1.43 billion euros (see Chart 19). This development was mainly influenced by the growth of new investment loans, which recorded an increase of 42.2 percent from 3.6 percent a year earlier. Within these loans, loans to the services and industry sectors were characterized by growth, of 51.4 percent and 50.5 percent, respectively.

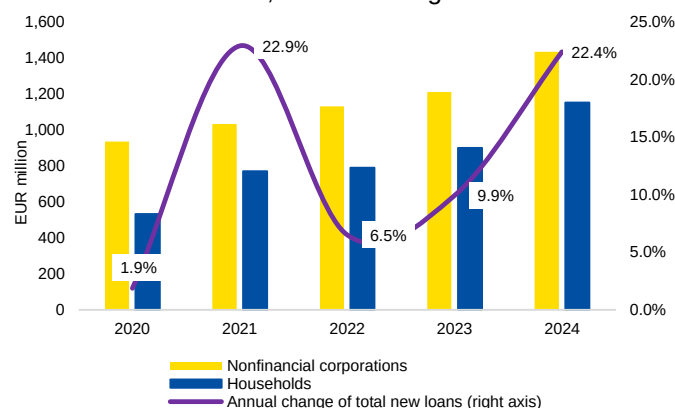
Meanwhile, loans for non-investment purposes recorded a decrease of 10.5 percent from an

Chart 18. Loans stock by economic sectors



Source: CBK (2025)

Chart 19. New loans, annual change



Source: CBK (2025)

increase of 15.6 percent a year earlier, and as a result had a negative contribution to the growth of total new loans to non-financial corporations.

The stock of loans for households in 2024 marked an annual growth of 22.0 percent from 17.3 percent in the previous year, influenced by the expansion of consumer and mortgage loans. The main contribution to this growth was made by new consumer loans, which accelerated the growth rate to 27.1 percent from 23.2 percent a year earlier. Likewise, new mortgage loans marked a positive turn compared to the previous year, recording an annual growth of 37.9 percent from a decline of 11.3 percent in the previous year. In addition to the expansion of the stock of household loans, their maturity structure has undergone a gradual change, increasingly oriented towards loans with longer maturity terms and higher amounts. Specifically, the 'over 10 years' category expanded its share to 36.7 percent, 2.3 percentage points higher than a year ago and compared to five years ago it has increased by 20.6 percentage points. However, the dominant category continued to be the '5 to 10 years' maturity category, with a share of 42.9 percent.

According to data from the CRK database, new loans disbursed to households during the period January-December 2024 had an average value of 10.3 thousand euros and an average maturity of 4.9 years. More specifically, in terms of the value of new loans issued in this period, 34.5 percent of them were in the range of 10-30 thousand euros, positioning themselves as the dominant category for households. While, in terms of the number of loans disbursed, this category had a share of 18.5 percent. Loans in the range of 30-60 thousand euros had a share of 22.7 percent in the value of total loans and 5.7 percent in number. Loans with a value equal to or above 60 thousand euros, - which mainly include mortgage loans and leasing - represented only 1.9 percent of the number of loans but in terms of value they had a share of 22.1 percent. In terms of maturity, loans with duration of 3-5 years were dominant in number, with a share of 44.1 percent. Meanwhile, loans with a maturity of 5-10 years represented 37.8 percent of the total value of new loans disbursed to households, confirming the trend of a shift towards financing with longer terms and higher values.

Liabilities and own sources

The financing of banking sector activities is supported almost entirely by customer deposits and own capital. In December 2024, deposits accounted for 80.9 percent of the total liabilities and own capital of the sector, 0.4 percentage points lower than the previous year, mainly as a result of the increase in the balance sheet of commercial banks (Table 5). Own funds, which constitute the next component with the highest share, recorded a slight increase in share to 11.6 percent or 0.2 percentage points higher than the previous year, mainly as a result of the increase in retained earnings.

Table 5. Structure of the banking sector liabilities

Description	2020		2021		2022		2023		2024	
	EUR million	Share (%)	EUR million	Share (%)	EUR million	Share (%)	EUR million	Share (%)	EUR million	Share (%)
Balance with other banks	90.4	1.7%	113.2	1.9%	199.9	3.0%	183.8	2.4%	273.6	3.2%
Deposits	4,360.7	81.5%	4,901.8	82.2%	5,553.3	82.1%	6,129.0	81.3%	6,923.5	80.9%
Other borrowings	43.1	0.8%	39.1	0.7%	31.6	0.5%	33.3	0.4%	42.3	0.5%
Other liabilities	202.2	3.8%	220.1	3.7%	252.0	3.7%	287.5	3.8%	270.5	3.2%
Subordinated debt	46.9	0.9%	42.3	0.7%	23.0	0.3%	45.0	0.6%	59.1	0.7%
Own resources	610.2	11.4%	643.1	10.8%	701.3	10.4%	862.4	11.4%	987.4	11.5%
Total liabilities and own resources	5,353.4	100.0%	5,959.6	100.0%	6,760.6	100.0%	7,541.1	100.0%	8,556.4	100.0%

Source: CBK (2025)

Deposits

As of December 2024, the value of total deposits reached 6.92 billion euros, representing an annual increase of 13.0 percent from 10.4 percent in the previous year. The significant increase in deposits, especially during the second half of the year, has contributed to the return of the positive growth

trend in contrast to the previous year, which marked a slowdown in growth. Household deposits dominate the structure of total deposits with a share of 65.1 percent of the total portfolio in December 2024 (see Chart 20).

These deposits have maintained almost the same level of growth from the previous year, or an increase of 11.1 percent from 11.3 percent in the previous year. Deposits of non-financial corporations recorded an annual growth of 12.3 percent from 12.9 percent. Meanwhile, deposits of other financial corporations and public corporations recorded an accelerated annual growth of 34.2 percent and 20.6 percent, or an increase from the previous year of 28.4 and 32.4 percentage points, respectively.

This development has been mainly influenced by large depositors, who represent a significant share of the growth in these categories, especially from the pension funds sector, insurance companies and the energy sector.

Regarding the structure of deposits by maturity, the increase in interest rates from the previous year has led to time deposits increasing their share in the total deposits by 3.7 percentage points, while transferable and savings deposits have decreased their share by 1.9 and 1.8 percentage points respectively. The value of total new deposits reached 1.17 billion euros at the end of December 2024, marking an annual increase of 34.8 percent from 11.3 percent a year earlier. The household segment has marked an annual increase of 42.0 percent from 36.4 percent in the previous year. New deposits of non-financial corporations also recorded a high growth of 20.7 percent after a significant decrease of 18.4 percent in the previous year.

Interest rates

Interest rates on loans in the banking sector in the country have gradually declined, affected by developments at the global level, where most central banks took easing measures in their monetary policy during 2024. On the other hand, the need for liquidity and financing of increased activity in circumstances of increased interbank competition has contributed to the increase in interest rates on deposits. In December 2024, the interest rate on loans decreased to 5.9 percent from 6.3 percent a year earlier.

Meanwhile, the interest rate on deposits reached 3.4 percent from 3.1 percent in the previous year. As a result of the decrease in interest rates on loans and the increase in interest rates on deposits, the loan-deposit interest margin has reached its lowest level in years, falling to 2.5 percentage points in December 2024 from 3.2 percentage points in December of the previous year (see Chart 21).

Chart 20. Structure of deposits, in percent

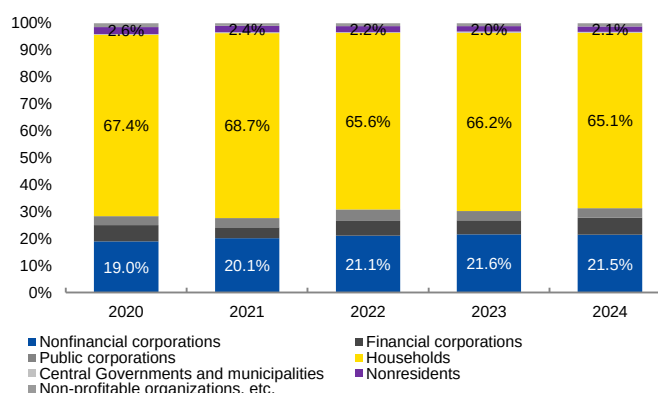


Chart 21. Average interest rate on loans and deposits

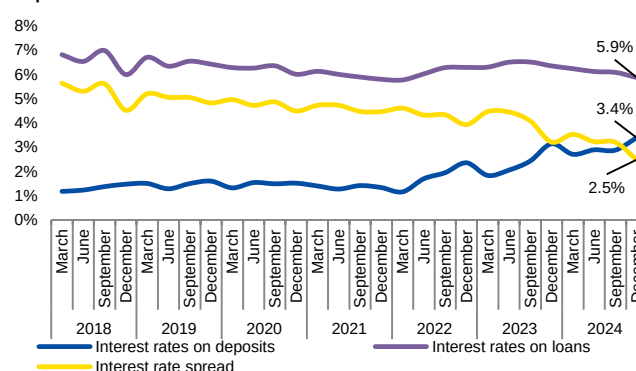


Chart 22. Average interest rate on loans to households and enterprises

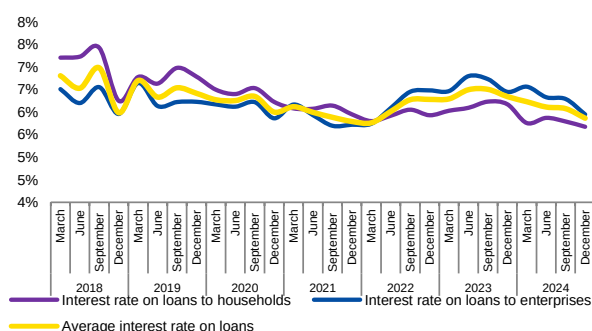
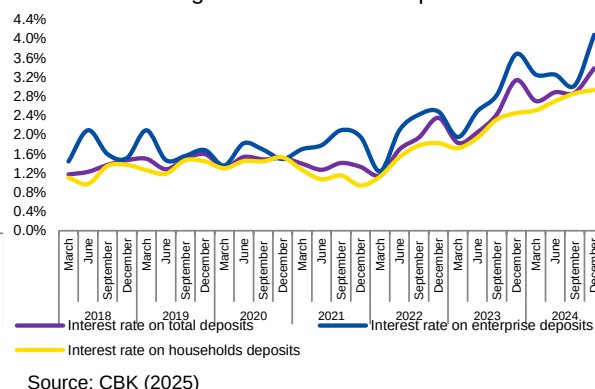


Chart 23. Average interest rate on deposits



The average interest rate on loans to both, non-financial corporations and households, decreased by 0.5 percentage points compared to the previous year. Specifically, the interest rate on loans to non-financial corporations decreased to 6.0 percent, while for households it decreased to 5.7 percent (see Chart 22).

Chart 24. Average interest rate on enterprise deposits, by categories

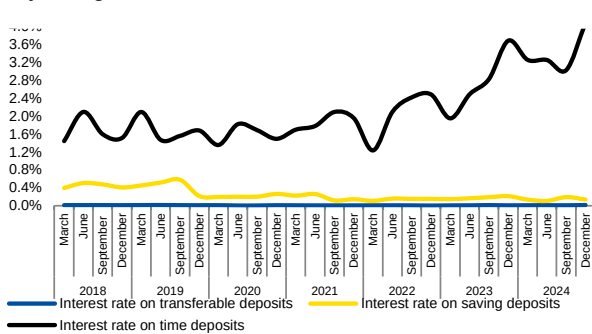
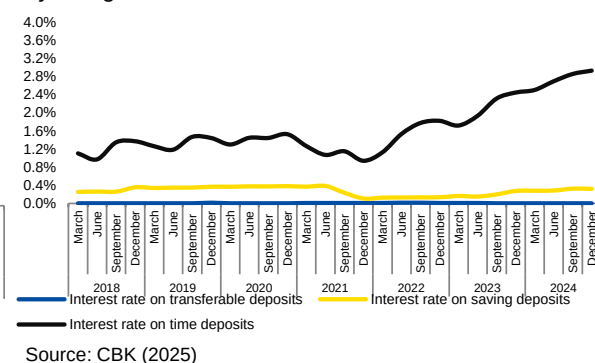


Chart 25. Average interest rate on household deposits, by categories

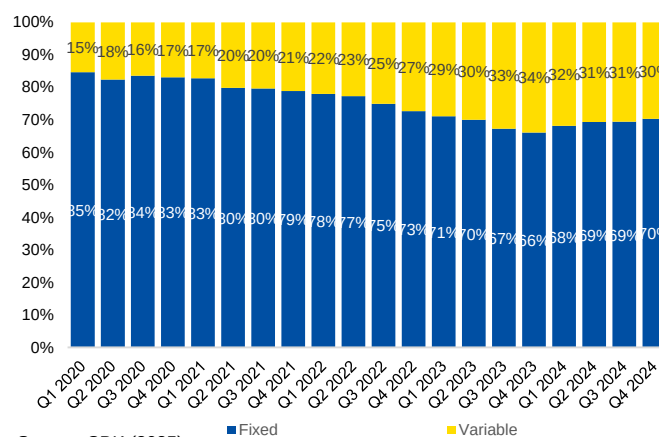


Within the NFCs, the most favorable interest rates were offered for the industry and services sector, with an average of 5.9 percent. Meanwhile, for households, the most favorable interest rates were applied for mortgage loans with an average of 4.9 percent, while consumer loans had an average interest rate of 6.0 percent.

Deposit interest rates reached to 3.4 percent, marking an increase of 0.2 percentage points compared to a year earlier. In December 2024, the average deposit interest rate for non-financial corporations marked an annual increase of 0.4 percentage points, reaching 4.1 percent. Similarly, for households the average interest rate marked an annual increase of 0.5 percentage points, reaching 2.9 percent (see Charts 24 and 25).

The downward trend in the Euribor rate has affected the structure of loans by type of interest rate, making it less attractive for banks to offer variable rate loans. As a result, by the end of 2024, the share of variable rate loans decreased to 29.6 percent, from 33.9 percent in the same period last year (see Chart 26).

Chart 26. Loans stock, by fixed or variable interest rates (in percent)



Performance of the banking sector

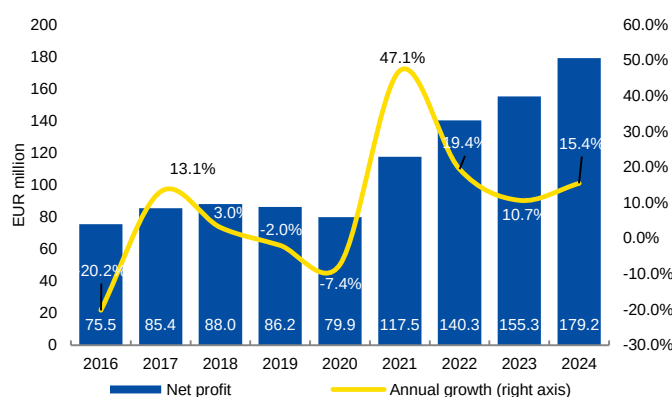
At the end of 2024, the sector's total net profit reached 182.1 million euros, marking an accelerated annual growth of 17.3 percent from 10.7 percent in the previous year (see Chart 27). This result reflects the higher growth in revenues versus the slower growth in expenses (see Chart 28).

The revenues of the sector have increased by 15.7 percent, amounting to 503.3 million euros. The main contribution to the increase in income was from interest on loans, which increased by 18.1 percent and represented 76.0 percent of the total revenues of the sector. Despite the accelerated growth in lending, the decline in the average interest rate on loans during this period has resulted in a slower annual growth in interest income from loans or an increase of 17.4 percent from 24.0 percent in the previous year. Also, as a result of the slower growth in investments in securities, income from interest on loan in this category slowed to 36.6 percent from 48.5 percent.

The non-interest income category, which is mainly income from fees and commissions, marked an increase by 8.4 percent from 3.2 percent a year earlier, reaching a value of 103.7 million euros at the end of December 2024. However, despite the accelerated annual growth, non-interest income marked an annual decline in share within the total income of the sector to 20.6 percent from 22.0 percent. This is as a result of the higher growth of income from interest on loans in relation to non-interest income.

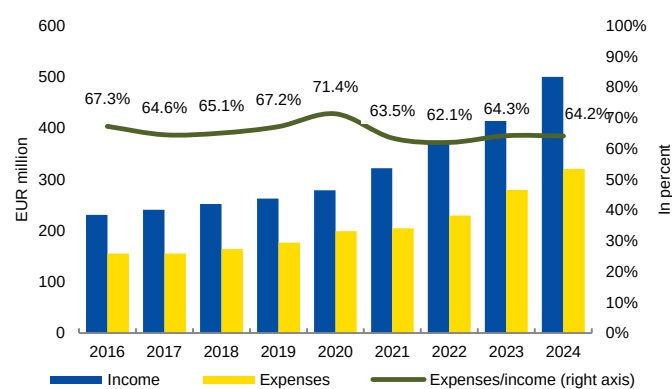
The expenses of the banking sector reached the value of 321.2 million euros, marking a slowdown in annual growth to 14.9 percent from 21.5 percent a year earlier (see Chart 28). The highest contribution to the increase in total expenses was made by general and administrative expenses and interest expenses. General and administrative expenses, with a share of 57.1 percent, recorded an annual increase of 16.9 percent, or 0.9 percentage points higher than the previous year. Meanwhile, interest expenses recorded a high annual increase of 42.2 percent, but which was 13.2 percentage points lower than the previous year. The higher increase in total revenues compared to the increase in total expenses caused the ratio of expenses to revenues of the sector to be lower compared to the same period of the previous

Chart 27. Net profit of the banking sector, EUR million



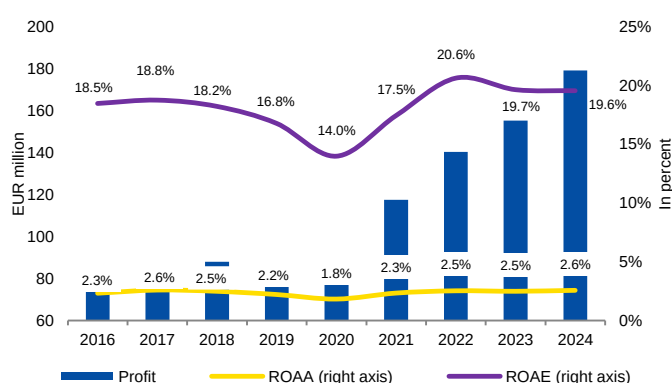
Source: CBK (2025)

Chart 28. Income and expenses of the banking sector



Source: CBK (2025)

Chart 29. Profitability indicators of the banking sector



Source: CBK (2025)

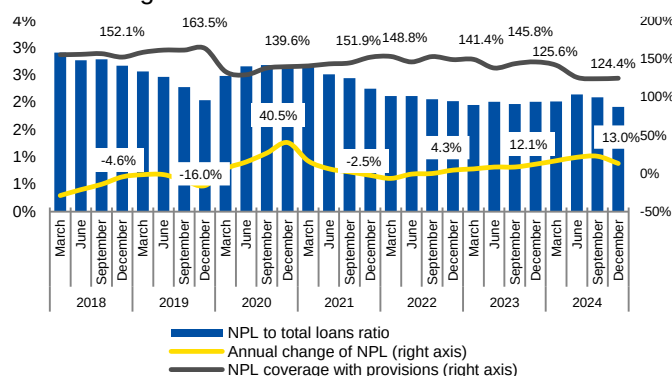
year (see Chart 28). The sector's profitability indicators also recorded a slight increase: Return on Equity reached 19.9 percent from 19.7 percent a year earlier, and Return on Assets reached 2.6 percent from 2.5 percent (see Chart 29).

Financial health indicators

The banking sector in the country has continued to demonstrate stability and sustainability. Financial health indicators were characterized by sustainability, namely a reduction in non-performing loans and maintenance of capital and liquidity above minimum regulatory levels.

In the framework of financial health indicators, the non-performing loan ratio decreased to 1.9 percent, or a decrease of 0.1 percentage points from the previous year (see Chart 30). The decrease in this indicator reflects the higher increase rate of the total loan portfolio compared to the increase in the value of non-performing loans. Meanwhile, the coverage with provisions for potential loan losses decreased to 124.4 percent from 145.8 percent in the same period of the previous year, as a result of the decrease in the value of provisions allocated for loan coverage and the faster increase in the value of non-performing loans.

Chart 30. Indicators of credit portfolio quality and NPL growth rate



Source: CBK (2025)

The non-performing loan rate for the non-financial corporate segment decreased by 0.2 percentage points, while for the household segment it increased by 0.1 percentage points from the previous year. More precisely, the non-performing loan ratio for non-financial corporates decreased to 2.2 percent, while for households it reached 1.5 percent. Households were characterized by a high increase in non-performing exposures for the second year in a row, marking an increase of 34.4 percent from 36.1 percent a year earlier. Also, for the non-financial corporate segment, non-performing exposures accelerated their increase rate to 6.5 percent from 5.0 percent increase in the previous year. The services and trade sectors had annual decreases in the ratio of NPLs to loans of 1.3 and 0.4 percentage points respectively, resulting in NPL rates of 2.7 percent for the services sector and 1.5 percent for trade. On the other hand, the sectors that recorded annual increases in the value of NPLs were manufacturing and agriculture. The NPL rate reached 2.9 percent from 2.2 percent for the manufacturing sector and 6.6 percent from 4.8 percent for agriculture.

The capital position at the end of 2024 remained unchanged at 17.4 percent, a stable level for two consecutive years. This development in the capitalization rate was influenced by the almost identical annual growth of risk-weighted assets in relation to that of regulatory capital. Specifically, the sector's regulatory capital at the end of the fourth quarter of 2024 marked an annual growth of 15.1 percent from 27.3 percent a year earlier. Meanwhile, risk-weighted assets have marked an acceleration of growth to 15.2 percent from 13.5 percent in December 2023, mainly as a result of lending activity: the high growth of exposures to individuals and SMEs, as well as mortgage loans with immovable property.

Liquidity and funding indicators, despite the downward trend, remained above the regulatory minimum levels. The liquidity coverage ratio (LCR) remained well above the minimum of 100 percent required by regulation, namely at 210.9 percent in December 2024, but compared to the same period of the previous year, it decreased by 68.9 percentage points. The high level of LCR

proves that banks hold sufficient liquid assets to meet their outflow needs (cash flow) for a 30-day period. Similarly, the Net Sustainable Funding Ratio (NSFR) decreased to 136.0 percent from 150.3 percent in December 2023, but remains above the regulatory minimum of 100 percent, suggesting that banks have sufficient and sustainable funding to cover their longer-term funding/liquidity requirements. Furthermore, the liquidity ratio - expressed as the ratio of liquid assets to short-term liabilities - marked an annual decline of 2.0 percentage points, dropping to 32.7 percent. This is as a result of the more pronounced annual growth of short-term liabilities of 14.4 percent compared to the increase in liquid assets of 7.8 percent. Also, the higher growth of lending in relation to deposits has influenced the increase in the loan-deposit ratio by 3.8 percentage points, reaching 84.0 percent.

2.2. Supervisory Activities of the Insurance Sector

For 2024, the CBK has continued its activity in carrying out its duties and responsibilities in the function of prudential supervision for the insurance sector. The supervision activity has been carried out through on-site supervision - examinations and off-site supervision, respectively the system of monitoring and analysis of financial reports. The CBK has been fully engaged in carrying out full and focused examinations. The purpose of the on-site examinations has been to assess the general condition of insurance institutions in relation to compliance with the laws and regulations of the CBK, the risk profile, always in the function of protecting policyholders and maintaining the financial stability of the institutions.

The classification of insurers to be subject to examinations is based on several factors, starting from the analysis of financial statements and indicators, the risk profile of the insurers considering also the previous examinations carried out, number of findings and recommendations, complaints of policyholders to the CBK, opinion of financial statements by the external auditor, as well as other relevant factors. These factors have influenced the prioritization of the riskiest institutions to be subject to the next examinations by the CBK and, consequently, in increasing the level of ongoing effective supervision.

Table 6. Number of examinations in the insurance sector, in 2024

Institutions	Type of examination
Insurers	3 full examinations 2 focused
Intermediaries	2 full examinations 1 focused

Source: CBK (2025)

During 2024, the CBK continued to implement the Risk-Based Supervision Manual for Insurers, which constitutes an advanced conceptual framework regarding supervision. This is in order to harmonize with contemporary principles of insurance supervision, to expand and promote early identification of risks to which insurers are exposed, as well as to draft prudential supervisory recommendations in order to maintain the security and financial stability of insurers.

In early 2024, an International Monetary Fund Technical Assistance mission was carried out with the aim of further advancing the risk-based supervision approach. During 2024, the CBK made the necessary amendments/supplements to the Risk-Based Supervision Manual for Insurers based on the Technical Assistance recommendations, as well as based on the best supervisory practices, which can be implemented in financial systems of similar size and complexity to our system. In addition to the amendments/supplements made to the Manual, and with the aim of advancing and increasing the focus towards the risk-based approach, during 2024, guidelines for risk assessment

and control functions were also prepared along with Intervention Scales based on risk assessment, further complementing and strengthening risk-based supervision.

During the reporting period, a number of supervisory actions have been undertaken with the aim to strengthen the sustainability of the insurance sector and improve risk management mechanisms. These activities were carried out through regular analysis of financial indicators, on-site supervisory visits, the assessment of key functions, and review of supporting documentation of insurance companies.

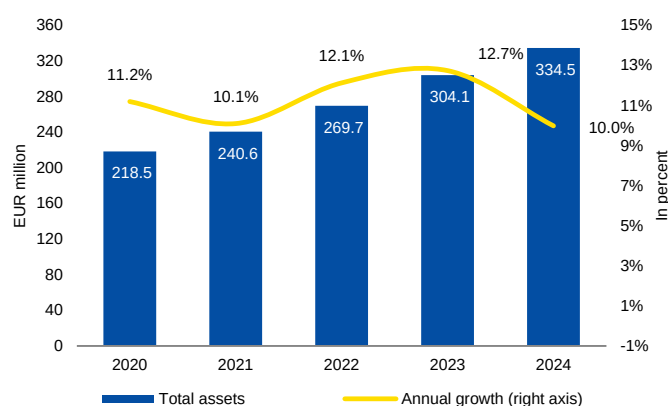
From this process, areas that need improvement have been identified in relation to corporate governance, functioning of internal control mechanisms and advancement of risk management practices. In this context, supervisory actions have focused on providing practical and actionable recommendations, with the aim of increasing effectiveness in key areas that aim not only to address current challenges, but also to create a sustainable environment for healthy and long-term growth of the sector.

The CBK, with the support of the World Bank, is working intensively to enable a smoother and more efficient transformation from IFRS 4 to IFRS 17, as well as adoption of Solvency II in accordance with the guidelines accepted by the World Bank. The implementation of this standard is not seen simply as an obligation for compliance with international standards, but as an essential pillar for strengthening transparency, sustainability and comparability in the financial reporting of the insurance sector.

2.2.1. Insurance sector

The insurance sector continued to grow during 2024, but at a slower pace compared to the previous year. The total value of written premiums marked a significant annual increase, mainly supported by non-life insurance. Expressed through gross written premiums in relation to GDP, the sector's intermediation rate reached 1.64 percent from 1.51 percent in 2023. Similarly, the density level, measured through written premiums per capita, reached 104.9 euros from 92.3 euros in 2023.

Chart 31. Assets of insurance sector



Source: CBK (2025)

The insurance market in Kosovo is characterized by a lower degree of concentration compared to the banking and microfinance markets. Compared to a year ago, the Herfindahl Index⁵ for gross written premiums (GWP) in 2024 marked an increase of 1000 points from 992. The same index, calculated based on insurance market assets, marked an increase of 957 points from 954 points at the end of 2023. At the same time, the CR5 index⁶ for 2024, calculated in relation to GDP for the insurance sector, results in 59.1 percent from 59.6 percent in 2023, while, calculated in relation to assets, it results in 56.1 percent from 55.5 percent in 2023.

⁵ The Herfindahl index is calculated with the following formula: $HI = \sum (s_i)^2$, where s_i represents the company's share in the total assets (gross written premiums) of the insurance market, n is the total number of institutions in the relevant sector. If the index lies between the intervals of 1,000 - 1,800 units, the level of concentration in the insurance sector is considered acceptable

⁶ The CR5 index (Concentration Ratio of the top 5 firms) combines the market share of the 5 insurers with the highest asset values in relation to total sector assets and the GWP to total GWP of the sector.

Insurance sector assets represented 2.6 percent of total financial system assets at the end of 2024, compared to 2.7 in the previous year. Their value reached 334.5 million euros, representing an annual growth of 10.0 percent, 2.7 percentage points lower than the annual growth rate a year earlier (see Chart 31). “Non-life” insurance recorded an annual growth of 9.9 percent and represented 91.6 percent of total sector assets at the end of 2024. Meanwhile, “life” insurance, which constitutes the remaining part of assets, recorded an annual growth of 10.6 percent.

Within total assets, deposits held in commercial banks recorded the most significant increase, increasing their share in total assets. Kosovo Government Securities, as the second largest category, also recorded an annual increase. All other balance sheet items recorded an increase, with the exception of the category 'investments in property' and 'other assets' which recorded a decrease (see Table 7).

Regarding the sector's liabilities, technical and mathematical provisions constitute the dominant part with a total of 66.7 percent, followed by equity with 24.7 percent and other balance sheet items with a lower weight (see Table 8). The value of insurance capital has increased significantly compared to the previous year, as a result of the high profit realized in 2024. Moreover, operating at a profit for the fifth consecutive year has contributed to a gradual reduction in losses inherited from previous years. As a result, the value of losses accumulated over the years by the sector decreased to 34.7 million euros from 43.6 million euros in 2020.

Table 7. Insurance sector assets (EUR million)

Description	2023	2024	Annual change	Share 2023	Share 2024
Cash and deposits at the CBK	4.4	4.7	8.3%	1.4%	1.4%
Deposits at commercial banks	140.9	163.4	16.0%	46.3%	48.8%
Securities	50.9	53.0	4.2%	16.7%	15.8%
Borrowings and receivables	18.8	20.8	10.5%	6.2%	6.2%
Part of insurers for technical reserves	42.9	49.8	16.3%	14.1%	14.9%
Investments in properties	6.2	4.8	-23.0%	2.0%	1.4%
Other assets	40.2	38.0	-5.4%	13.2%	11.4%
Total market	304.1	334.5	10.0%	100.0%	100.0%

Source: CBK (2025)

The total value of written premiums marked a significant annual increase of 14.7 percent from 9.4 percent a year earlier, and reached 168.1 million euros. The structure of written premiums continues to be dominated by “non-life” insurance premiums, which in December 2024 represented 95.5 percent of total written premiums. Their value reached 160.4 million euros, representing an annual increase of 14.7 from 9.5 percent a year earlier. The increase in the value of premiums resulted from the increase in the volume of policies sold in 2024, which reached 1.97 million policies, an annual increase of 33.1 percent.

Table 8. Liabilities and equity of the insurance sector (in EUR million)

Description	2023	2024	Annual change	Share 2023	Share 2024
Technical reserves	201.3	223.2	10.9%	66.2%	66.7%
Other payable accounts	23.2	23.5	1.1%	7.6%	7.0%
Other liabilities	4.6	5.3	15.2%	1.5%	1.6%
Total shareholders capital	75.1	82.5	9.9%	24.7%	24.7%
Total market	304.1	334.5	10.0%	100.0%	100.0%

Source: CBK (2025)

Gross “non-life” written premiums continue to be dominated by mandatory premiums, with a share of 55.5 per cent, while the rest includes voluntary premiums. Compulsory insurance products recorded an annual growth of 7.7 per cent, mainly influenced by “MTPL” products (Table 9). Whereas, within voluntary insurance, the “accident and health” category, with the largest market share of 23.0 per cent, recorded an annual growth of 27.6 per cent. The “general civil liability” category recorded the highest annual growth of 43.9 per cent, but has a low share of only 1.1 per cent (Table 9).

The value of premiums written by "life" insurers in 2024 reached 7.6 million euros, which represents a 15.7 per cent higher value compared to 2023. These premiums represent 4.5 per cent of the total value of gross premiums written by insurers.

Claims paid by the insurance sector, which includes the claims by insurers and the Kosovo Insurance Bureau (KIB), recorded an annual increase of 7.8 per cent, from 11.1 per cent a year earlier, reaching a value of 77.0 million euros at the end of 2024. Of the total amount of claims paid, 69.4 million euros were claims paid by insurers, while 7.6 million euros were claims paid by the KIB.

Table 9. Gross written premiums, by business classes (in EUR million)

Activity	2023	2024	Annual change	Share: 2023	Share: 2024
<i>Total non-life</i>	<i>139.9</i>	<i>160.4</i>	<i>14.7%</i>	<i>95.5%</i>	<i>95.5%</i>
<i>Obligatory insurance</i>					
MTPL	69.2	75.6	9.2%	47.3%	45.0%
TPL+	4.1	4.7	14.6%	2.8%	2.8%
Border insurance	9.2	8.6	-7.0%	6.3%	5.1%
<i>Voluntary insurances</i>					
Accident and health	30.3	38.7	27.6%	20.7%	23.0%
Casco	10.4	11.4	10.4%	7.1%	6.8%
Loans and guarantees	8.7	11.0	27.1%	5.9%	6.6%
Fire and other damages in property	6.6	8.3	26.0%	4.5%	5.0%
Overall liabilities	1.3	1.9	43.9%	0.9%	1.1%
<i>Total life</i>	<i>6.6</i>	<i>7.6</i>	<i>15.7%</i>	<i>4.5%</i>	<i>4.5%</i>
Total market	146.5	168.1	14.7%	100.0%	100.0%

Source: CBK (2025)

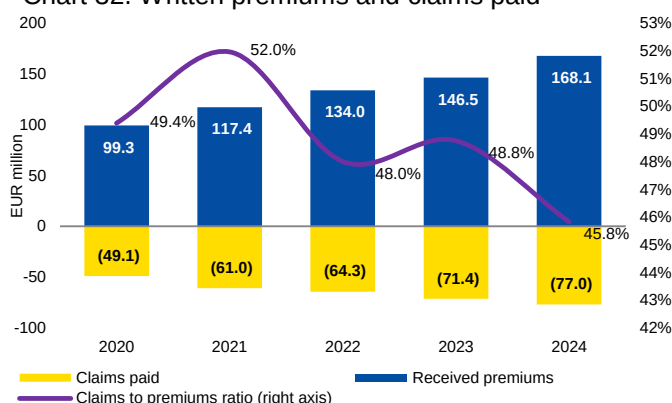
Meanwhile, claims paid by reinsurers amounted to 8.3 million euros, accounting for 12.1 per cent of the total amount of claims paid by insurers.

Non-life insurance claims remain dominant, with an increase in share from 97.9 per cent to 98.2 per cent. Obligatory insurance (MTPL) continues to have the largest market share, with a share of 48.3 per cent. The 'accident and health' category has a significant increase in share, from 21.9 per cent to 25.6 per cent, reflecting the increasing importance of this segment. Property insurance,

despite the strong growth last year, has declined significantly, dropping its share from 9.1 per cent to 3.0 per cent (Table 10).

The value of claims paid by "life" insurers in 2024 fell to 1.4 million euros, from 1.5 million euros a year before, which represents an annual decline of 5.6 per cent from an increase of 29.5 per cent in 2023. This decline is attributable to the decline in claims paid for the subcategories 'debtor's life' (repayment of liabilities in the event of the death of the policyholder, which is mainly applied by banks for credit insurance), the category 'life with savings' and 'combined life' (a combination of 'life' insurance for a certain period of time with the possibility of extension).

Chart 32. Written premiums and claims paid



Source: CBK (2025)

The ratio of claims paid to premiums written in 2024 improved by 3.0 percentage points compared to the previous year, falling to 45.8 per cent (see Chart 32). This was due to the higher growth in premiums written compared to claims paid (Tables 10 and 11).

Table 10. Claims paid, by business classes (EUR million)

Activity	2023	2024	Annual change	Share: 2023	Share: 2024
Total non-life	70.0	75.6	8.1%	97.9%	98.2%
Obligatory insurance					
MTPL	34.4	37.2	8.3%	48.1%	48.3%
TPL+	0.3	0.3	7.3%	0.4%	0.4%
Border insurance, FG MoU	5.8	7.6	32.3%	8.1%	9.9%
Voluntary insurances					
Accident and health	15.7	19.7	26.0%	21.9%	25.6%
Casco	6.3	6.9	8.4%	8.9%	8.9%
Loans and guarantees	0.9	1.4	57.0%	1.3%	1.9%
Property insurance	6.5	2.3	-64.1%	9.1%	3.0%
Insurance of goods in transit	0.0	0.0	-100.0%	0.0%	0.0%
Overall liabilities	0.0	0.0	190.4%	0.0%	0.0%
Total life	1.5	1.4	-5.6%	2.1%	1.8%
Total market	71.4	77.0	7.8%	100.0%	100.0%

Source: CBK (2025)

2.2.2 Performance of the insurance sector

The insurance sector closed the year 2024 with a net profit of 14.7 million euros, compared to 11.0 million euros in the previous year (Table 11).

Table 11. Financial results (EUR million)

Description	2019	2020	2021	2022	2023	2024
Non-life insurance	-5.1	2.0	5.8	2.5	10.0	13.5
Life insurance	0.5	0.3	0.5	-0.4	1.0	1.2
Total market	-4.7	2.3	6.3	2.1	11.0	14.7

Source: CBK (2025)

The profit realized in 2024 is a result of the higher growth in collections from written premiums compared to the slower growth in expenses, namely 'claims incurred' and operational expenses (which include personnel and administrative expenses).

2.2.3 Financial assistants

The financial assistants sector represents only 0.1 per cent of the total assets of the financial system, but it accounts for the largest number of financial institutions in the country. In December 2024, the sector was represented by a total of 65 foreign exchange offices and money transfer agencies, compared to 61 in the previous year.

The value of assets of financial assistants at the end of 2024 reached 15.0 million euros, from 13.3 million euros a year earlier. The structure of assets of financial auxiliaries consists of fixed and other assets with a share of 62.1 per cent. While 33.1 per cent of the sector's assets are held in commercial banks, the remaining part includes cash. The sector has a low level of debt, with only 30.6 per cent of liabilities and equity financed by various debt products such as loans, accounts payable, and other liabilities. Meanwhile, own capital accounts for about 65.4 per cent of the sector's total liabilities and equity.

The financial auxiliaries sector in 2024 recorded a net profit of 0.3 million euros, which approximately represents a halving of the profit compared to the previous year. This dynamic was influenced by the higher increase in expenses in relation to revenues, which also recorded an increase. Specifically, revenues recorded an annual increase of 7.9 per cent and reached the value of 8.0 million euros, mainly as a contribution of revenues from services. Meanwhile, the value of expenses recorded an annual increase of 13.2 per cent and reached 7.5 million euros, influenced by the increase in the two main components of expenses (personnel expenses, which recorded an annual increase of 48.0 per cent, and operating expenses, with an annual increase of 14.6 per cent).

2.3. Supervisory Activities of the Pension Sector

With the aim of maintaining the sustainability of the pension sector in the country, activities were carried out in 2024 to fulfil the duties and responsibilities of pension fund supervision. The supervision activity was carried out through on-site supervision - full and focused examinations, and the external supervision system through monitoring and analysis of periodic financial reports of pension funds. Pension supervision has implemented a risk-based supervision approach, with special attention being paid to investment risk, fund management, investment strategy, maintaining adequate liquidity, operational risk and other risks.

Regarding the supervision of pension funds, during 2024, examinations were carried out in pension funds and commercial banks according to the annual plan. A total of 3 examinations were carried out during 2024, 1 being a full examination of the pension fund and 2 examinations focused on commercial banks for banking services for the phased withdrawal of pensions administered by banks.

The pension funds' compliance with the legal and regulatory requirements of the CBK was assessed during the examinations, including the manner the assets were managed, the risk control, the functioning of the governing bodies and the effectiveness of the internal control system. Particular attention was paid to the assessment of the pension funds' risk profiles, including investment risk, operational risk and governance risk.

The examinations also reviewed the implementation of the recommendations raised in the CBK examination reports, with the aim of protecting the pension assets saved by contributors and maintaining the financial stability of the funds. Furthermore, the scope of the focused examinations was the assessment of the implementation of the phased withdrawal of contributors'

savings, which is carried out through banks that provide this service and with which the KPST enters into contractual relations.

Table 12. Number of pension sector examinations

INSTITUTIONS	Type of Examination
Pension Funds	1 full examination
Bank	2 focused examinations

Source: CBK (2025)

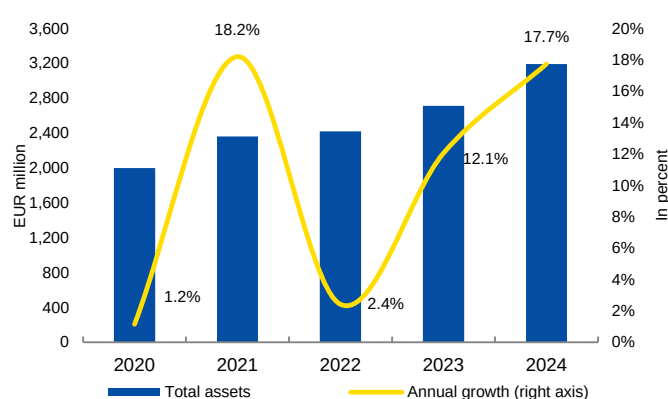
The risk assessment in the pension fund sector has found that the main challenges are related to investment risk, which directly affects the return on funds contributed by contributors and which can be affected by possible fluctuations in financial markets. The CBK, within the framework of its supervisory mandate, continuously provides clear and structured recommendations with defined deadlines for implementation, which aim to strengthen governance, improve risk management and maintain the integrity and transparency of the pension system. These actions represent a proactive approach by the CBK towards ensuring a sustainable functioning of pension funds, in line with the long-term interests of contributors. This ensures that the funds operate in a sustainable, transparent and in line with their objectives of preserving and increasing the value of invested assets.

2.3.1. Pension sector

Pension sector assets grew at an accelerated pace of 17.7 percent in 2024 from 12.1 percent in the previous year, reaching a value of 3.2 billion euros (see Chart 33). Both pension funds achieved high returns from investments in international markets, influenced by the improvement in global macroeconomic indicators as a result of the decline in inflation, the easing monetary policy of central banks, and advances in the technology sector (artificial intelligence). Meanwhile, contributions collections marked a slight increase, reaching 316.5 million euros from 286.8 million euros a year earlier.

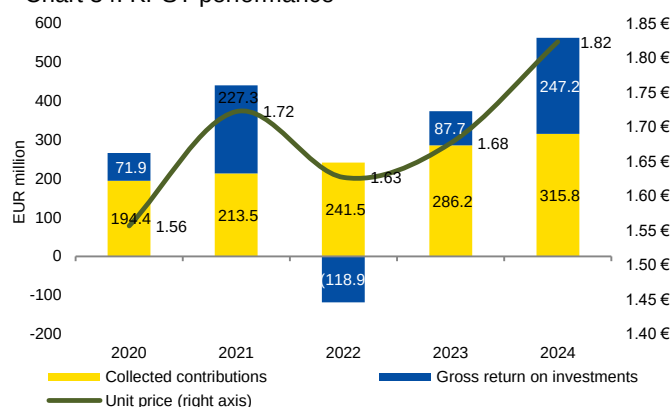
Kosovo's pension sector is dominated by the assets of the Kosovo Pension Savings Fund (KPSF), with a share of 99.7 percent in December 2024. The value of this fund's assets reached 3.2 billion euros, marking a significant annual increase of 17.8 percent from 12.1 percent in the previous year.

Chart 33. Assets of pension sector, EUR million



Source: CBK (2025)

Chart 34. KPST performance



Source: KPSF (2025)

Gross return on investments reached 247.2 million euros, a multiple higher value compared to 87.7 million euros realized in 2023. The increase in stock prices in international markets, driven by expectations for a slowdown in key interest rates by central banks, had a significant impact on investment performance during the year. The first quarter made the main contribution to this increase, followed by the third quarter.

Collections from contributors have continued their upward trend, however, at a slower pace compared to the previous year. The slower growth dynamics are attributed to the effect of the increased base in the previous year, which was influenced by the increase in public sector salaries (Implementation of the Law on Public Officials), as well as by pressures for salary increases in the private sector due to high inflation.

As a result, the value of contributions collected by the KPFK reached 315.8 million euros in 2024, marking a slowdown in the annual growth rate to 10.4 percent from 18.5 percent the previous year.

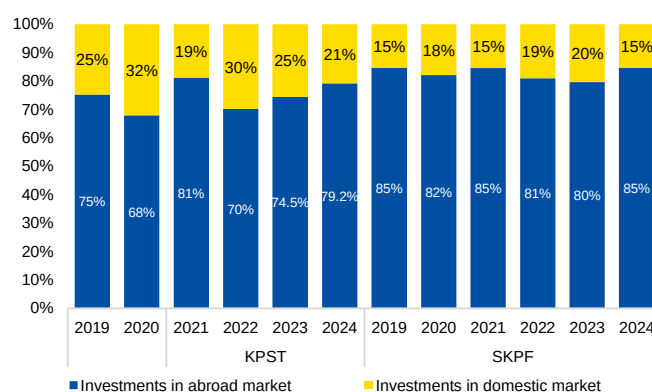
The share price of FKPK increased to 1.82 euros from 1.67 euros per unit, reflecting successful asset management, with a focus on increasing the value of contributors' savings (see Chart 35).

The Slovenian-Kosovan Pension Fund (SKPF), which accounts for 0.3 percent of total pension assets, also recorded a significant annual growth of 13.6 percent, up from 9.9 percent a year

earlier and reached an asset value of 10.7 million euros. Return on investment also recorded a high annual growth of 51.4 percent, raising the return value to 1.2 million euros from 817.0 thousand euros in December 2023. The first quarter made the largest contribution to this growth, representing 41.9 percent of the total return, followed by Q4 with 27.3 percent. The share price of SKPF increased to 2.15 euros per unit from 1.96 a year earlier.

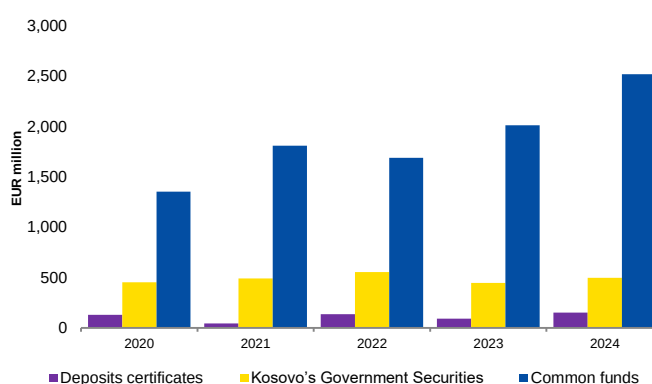
The investment structure of the two funds is dominated by investments in the foreign market, which continued to expand (see Chart 36). The total value of FKPK's investments in the foreign market reached 2.5 billion euros, increasing their share in the portfolio to 79.2 percent from 74.5 percent a year earlier. Investments are mainly focused on mutual funds - accounting for 99.9

Chart 35. Structure of pension funds investments



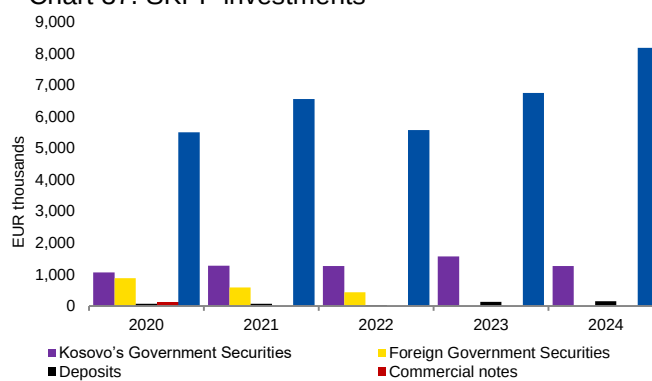
Source: KPST, SKPF (2025)

Chart 36. KPST investments



Source: KPSF (2025)

Chart 37. SKPF investments



Source: SKPF (2025)

percent of the total - while 1.2 million euros are held in the form of cash (see Chart 37). Within the framework of investments in the domestic market, cash and deposits with the CBK recorded a significant decrease, respectively 45.2 percent and 92.8 percent, as a result of the orientation of investments towards more profitable alternatives such as securities and certificates of deposits. Although investments in Kosovo Government securities increased by 11.4 percent in 2024, reversing the 19.3 percent decline a year earlier, their share in total investments decreased to 15.7 percent from 16.5 percent. Meanwhile, investments in certificates of deposit in local banks recorded an accelerated growth of 68.8 percent in 2024, after a 34.2 percent decline a year earlier. Despite this significant increase, their share in total investments increased only slightly, to 4.8 percent from 3.3 percent, without significantly affecting the overall structure of the investment portfolio.

The structure of the FSKP investment portfolio is similarly diversified to that of the FKPK, being mainly oriented towards the external market, more specifically in shares that constitute 96.7 percent of the investment portfolio and the rest in cash, which constitute 3.3 percent of total investments (see Chart 37). Whereas, investments within the country are mainly focused on securities of the Government of Kosovo that represent 15.3 percent of the total investment portfolio. The rest of the assets held in the country, which consists of cash and deposits held in commercial banks, constitute 2.7 percent of the investment portfolio.

2.4. Supervisory Activities of the Markets Sector, MFIs, NBFIs, PIs and EMIs

Microfinance and non-banking institutions, during 2024, continued to increase their weight in the development of the country's financial industry and as such remain increasingly active in financial intermediation, in lending mainly to low-income groups, households and individual businesses that do not easily find access to sources of financing. Total loans at the end of 2024 reached the amount of 449.4 million euros, accounting for over 4.0% of total loans in the financial sector. Likewise, non-banking financial institutions with currency exchange and factoring activities also saw an increase in the provision of their products in the economy.

Payment institutions, with an emphasis on electronic payment institutions (electronic money issuing institutions), have had an important focus in the financial market. As a result of the continuous expansion of payment service points as well as acceptable and highly competitive costs in providing such services, payment institutions with payment service and electronic money issuing activities are characterized by continuous developments, both in terms of growth and in terms of launching new products.

Throughout the year, the Banking Supervision Department has monitored the financial performance of microfinance institutions, non-bank financial institutions, payment institutions and electronic payment institutions through monthly reports that they have submitted to the CBK, as well as the implementation of on-site examinations in the respective institutions, in which case, depending on the needs, necessary actions have been taken, followed by concrete recommendations to be implemented by these institutions.

During the on-site examinations, the CBK's focus has been on a comprehensive assessment of the institutions' risk profiles, with an emphasis on lending practices, credit classification and provisioning, to assess the quality of the portfolio and overall credit risk management. The structure and composition of assets and liabilities, liquidity risk management and aspects of corporate governance, including the supervisory role of the board, audit and internal controls, have also been assessed. A key part has also been the analysis of the structure and quality of capital, as well as its planning in relation to regulatory requirements. The financial condition and performance have been reviewed in view of the institution's sustainability, while compliance with consumer protection standards and transparency towards customers has also been assessed.

During 2024, four full examinations were conducted, two in non-bank financial institutions and two in electronic payment institutions, where in accordance with the respective objectives, the supervision carried out in the country in these institutions during 2024 focused on the assessment of risk management, compliance with CBK legislation, their internal policies and the overall assessment of institutional corporate governance as well as the functioning of electronic money issuance.

Table 13. Number of examinations of the MFI, NBFI, IP and IPE sector

INSTITUTIONS	Type of Examination
IFJB	2 full examinations
IPE	2 full examinations

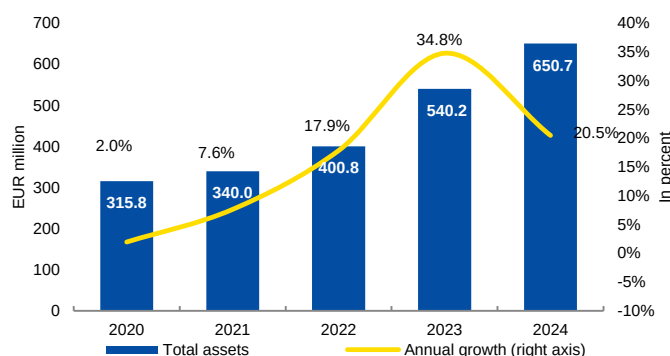
Source: BQK (2025)

Consequently, the reflections of these institutions in line with positive developments in this sector indicate steps of success towards the adequate approach and effective supervision of the CBK, where through external supervision as well as relevant examinations and concrete recommendations for implementation, it has been achieved to reflect advancement in risk management, internal controls and the improvement of the regulatory and reporting infrastructure of the microfinance sector, the non-banking financial sector, the payment institutions sector and the electronic payments sector.

2.4.1 Microfinance and non-banking financial sector

The microfinance and non-banking financial sector continued its high growth in 2024. The value of the sector's assets reached 650.7 million euros, marking an annual increase of 20.5 percent, 14.3 percent lower than the previous year (see Chart 38). Loans continue to dominate the asset structure of this sector with a share of 69.1 percent, followed by leasing with 15.8 percent. Cash held in the banking sector accounts for 9.1 percent of assets and other items account for the remaining 6.0 percent.

Chart 38. Assets of microfinance and non-bank institutions sector



Source: CBK (2025)

The lending activity of the microfinance and non-banking financial sectors continued the upward trend of loans, reaching 449.4 million euros, representing an annual growth of 24.6 percent (see Chart 39).

Both segments of the private sector, non-financial corporations and households, recorded high growth. Loans to households increased by 20.1 percent from 21.1 percent in 2023, reaching a value of 264.7 million euros. The stock of loans to non-financial corporations recorded an annual growth of 31.7 percent, from 34.2 percent in 2023, reaching a value of 184.6 million euros.

Lending to non-financial corporations has followed the upward trend in all economic sectors (see Chart 40). Agricultural loans have the largest share (24.4 percent), thus providing the highest contribution to the growth of lending to non-financial corporations. The value of loans to the agricultural sector reached 45.0 million euros, corresponding to an annual growth of 28.6 percent.

The significant growth of loans to the agricultural sector has also been supported by credit guarantees from the Kosovo Credit Guarantee Fund (KCGF).

Chart 39. The value of loans to households and to enterprises, annual growth of loans

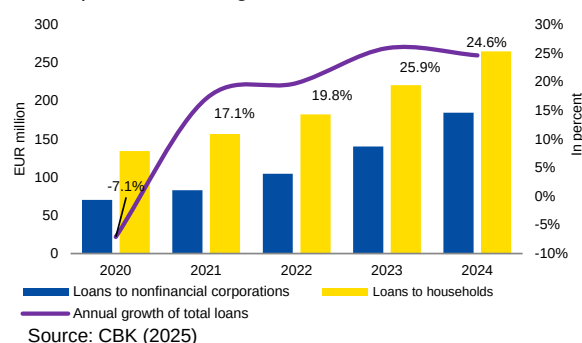
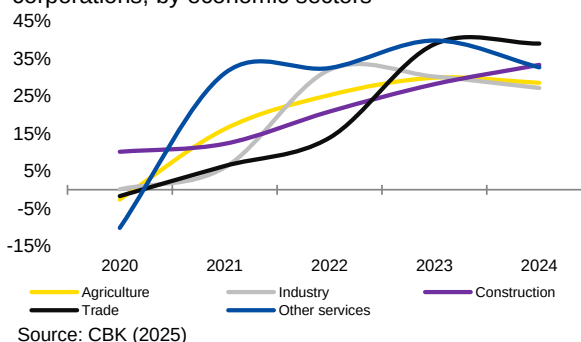
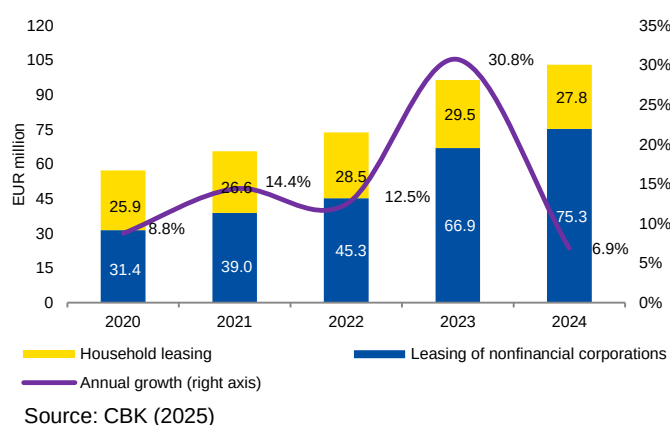


Chart 40. Growth of loans to nonfinancial corporations, by economic sectors



Leasing is the second most important category by weight in the structure of assets of the microfinance and non-banking sector, with a share of 15.8 percent. Leasing activity marked a significant slowdown in annual growth to 6.9 percent from 30.8 percent in December 2023, while their value reached 103.1 million euros (see Chart 41). The main contribution to the growth of leasing continues to be made by non-financial corporations, which have the largest share of 73.1 percent in total leasing, while the contribution of households to leasing was lower.

Chart 41. Leasing



In December 2024, the average interest rate on loans from microfinance institutions and non-bank financial institutions was 18.7 percent, increasing by 0.1 percentage points compared to the same period last year (see Chart 42). The interest rate on loans to households increased by 0.6 percentage points, reaching 21.7 percent. The average interest rate on consumer loans also increased by 0.5 percentage points and that of mortgage loans increased by 1.3 percentage points at the end of 2024.

Chart 42. Average interest rate on microfinance and non-bank institutions sector loans

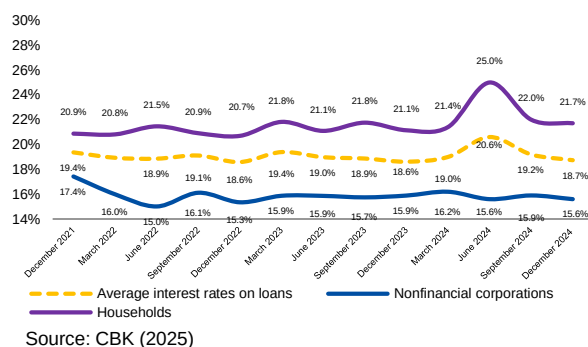
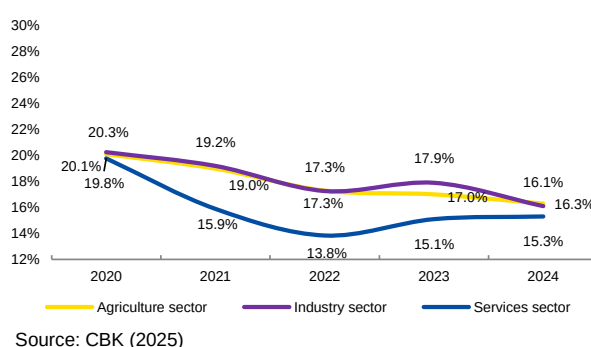


Chart 43. Average interest rate on loans, by economic sectors



For non-financial corporations, the average interest rate on loans decreased by 0.3 percentage points, to 15.6 percent at the end of 2024. The interest rate on loans to the industry and agriculture sectors decreased by 1.8 and 0.7 percentage points, respectively, resulting in 16.1 and 16.3 percent in December 2024. Meanwhile, the interest rate on loans to the services sector increased by 0.2 percentage points, reaching 15.3 percent (see Chart 43).

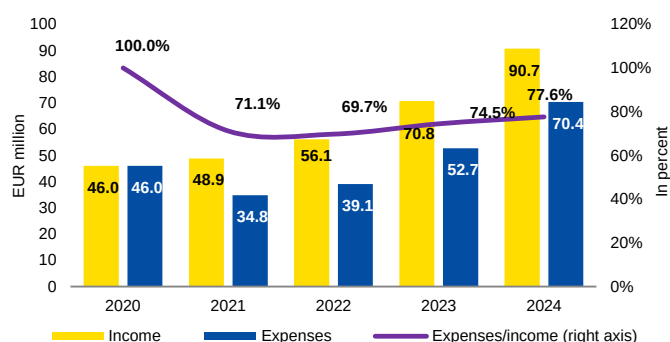
In 2024, the microfinance and non-banking sector achieved an accelerated growth in net profit of 12.5 percent from 6.4 percent in the previous year. The value of net profit reached 20.3 million euros, influenced by the higher increase in the value of revenues in relation to the increase in expenses (see Charts 44 and 45). The sector's revenues increased by 19.9 million euros or 28.2 percent, while expenses increased by 17.7 million euros or 33.6 percent.

Within the revenue, interest income represents the main category with 83.6 percent, which marked an annual increase of 23.1 percent in 2024 from 22.2 percent in the previous year, mainly as a result of the high growth in lending. The non-interest income category, which constitutes 16.4 percent of total income, marked an annual increase of 62.1 percent from 60.7 percent a year ago. Previously, this was as a result of the increase in other operating income to 8.8 million euros from 3.9 million euros last year.

Within the framework of expenses, interest payments, which have a share of 33.5 percent, marked a high annual growth of 63.0 percent, but which was nevertheless lower than the growth of 69.2 percent recorded in 2023. The category that has the largest share in the total sector expenses, that of non-interest expenses with a share of 50.2 percent, marked an annual growth of 25.3 percent from 20.5 percent a year earlier, as a result of the increase in personnel expenses and provisions.

The cost-to-income ratio increased by 3.1 percentage points and reached 77.6 percent in December 2024, reflecting the higher relative growth of expenses compared to income. Key profitability indicators declined in December 2024, with return on average assets declining by 0.6 percentage points and return on average equity declining by 1.5 percentage points.

Chart 44. Income and expenditures of microfinance and non-bank institutions sector



Source: CBK (2025)

Chart 45. Profitability indicators of microfinance and non-bank institutions sector

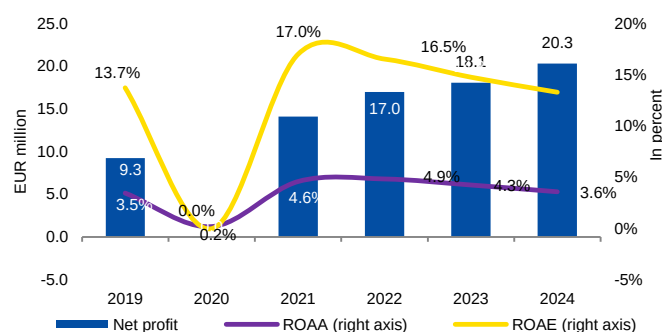
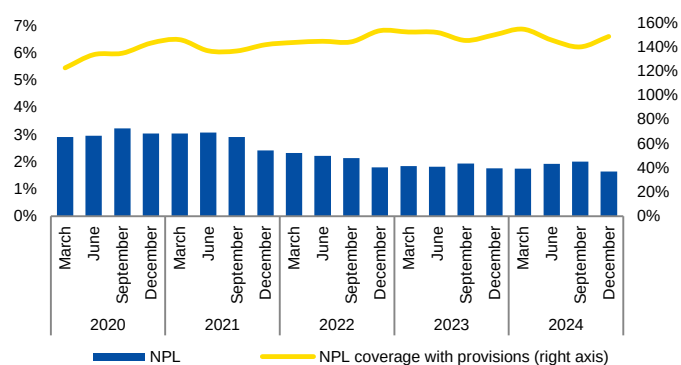


Chart 46. Indicators of credit portfolio quality



*Including loans and leasing
Source: CBK (2025)

The ratio of non-performing loans to total sector loans at the end of 2024 decreased to 1.6 percent from 1.8 percent. The coverage of NPLs with provisions continues to be stable, although it slightly decreased to 148.4 percent from 149.7 percent a year earlier (see Chart 46).

2.5. Supervisory Activities for the Prevention of Money Laundering and AML/CFT

The CBK, based on paragraph 4 of Article 34 of the Law on the Prevention of Money Laundering and Combating the Financing of Terrorism, exercises supervisory powers over financial institutions with regard to compliance with this law and relevant regulations.

The CBK has continued to perform its supervisory function in financial institutions in terms of ensuring compliance with the prevention of money laundering and the financing of terrorism (AML/CFT). The scope of AML/CFT supervision has covered licensed financial institutions, including banks, insurance companies, money transfer services, and non-bank financial institutions.

During 2024, the CBK conducted 8 full on-site examinations, reflecting a risk-based supervisory approach that prioritizes institutions and sectors with the highest ML/TF risk. The purpose of the examinations conducted was to assess the compliance of the PPP/LFT program with the applicable legislation as well as to assess the effectiveness of PPP/LFT internal systems and controls. The following table presents the number of examinations conducted for 2024.

The areas examined include the key components of the AML/CFT program including governance and compliance culture, the AML/CFT compliance function, the implementation of customer due diligence measures and enhanced due diligence on high-risk customers, the effectiveness of AML/CFT risk assessments, monitoring and reporting, and employee training and awareness.

Table 14. Number of money laundering examinations

Institutions	Type of Examination
Bank, NBFI, Insurer	8 complete examinations

Source: CBK (2025)

For the most effective implementation in practice of the Law on the Prevention of Money Laundering and Combating the Financing of Terrorism, it is necessary to issue guiding acts. In this regard, the “Risk-Based Supervision Manual for the Prevention of Money Laundering and Combating the Financing of Terrorism (PPP/LFT)” has been approved. This Manual has been prepared with the technical assistance of the joint project of the European Union and the Council of Europe against economic crime (PECK III). The purpose of this Manual is to build supervisory capacities towards a risk-based approach that enables the identification and assessment of risks related to money laundering and terrorist financing as well as the adaptation of the supervisory strategy in accordance with the risk presented.

During 2024, the CBK also approved the “Guideline on Policies and Procedures for Effective Management of Money Laundering and Terrorist Financing (MLTF) Risks in the Provision of Financial Services, Applicable to All Financial Institutions”. Financial institutions, according to this guideline, must ensure that the implementation of these policies and procedures cannot result in group refusals or termination of contractual/business relationships for certain categories of clients that they assess as high risk for MLTF. The CBK recognizes the responsibility and obligation of financial institutions in assessing the risk of their clients, an assessment that, according to this guideline, must be made individually for the profile of each applicant or recipient

of financial products/services individually. Also, the guideline avoids unhealthy practices of financial institutions that prevent certain categories and entities from accessing financial services without an adequate and well-argued assessment of their individual risk, while promoting consumer protection and expanding financial inclusion, for a sustainable and inclusive growth of the competitive financial sector.

In terms of preparation for SEPA application, in order to ensure compliance with international FATF standards and EU Directives, and based on the recommendations of the 2018 report assessing the country's compliance with international PPPLFT standards carried out in the joint project of the Council of Europe and the EU - PECK II, a supplementary amendment to the current CBK Regulation on PPP/LFT has been approved, as well as the Regulation on information that should accompany transfers of funds, which transposes EU Regulations 2015/847 and 2023/1113 and fully implements the requirements of FATF Recommendation 16 on wire transfers.

In terms of strengthening cooperation and increasing vigilance for the financial sector, meetings were held with the Compliance Committee within the Kosovo Banking Association and with commercial banks, in which meetings the requirements regarding the legal and operational framework of the field were reviewed. Meanwhile, within the framework of the joint EU and Council of Europe project against Economic Crime in Kosovo (PECK III), the CBK has continued with active participation in the meetings of the Steering Board and other project activities.

2.6. Supervisory Activities of Financial Institutions' IT Systems

The year 2024 marked the establishment of the Division of IT Systems Supervision (DMSI), with the mandate to supervise information systems and cyber risk management in all segments of the supervised financial sector, including banks, non-bank financial institutions (NBFIs/MFIs), insurance companies and pension funds. Responsibilities that were previously distributed across several departments have been transferred and consolidated within DMSI, enabling a more coordinated and effective approach to technological and cyber risks, as well as the application of good management practices.

During the first year of operation, a Draft Regulation on Information Systems and Cyber Risk Management was drafted, which is currently in the consultation phase with relevant parties. This regulation is aligned with the latest international requirements and practices, aiming to harmonize the supervisory approach with global developments in the field of technology and cybersecurity, but also the readiness to respond to possible attacks.

In parallel, actions have been taken to ensure and complement technical and professional capacities, analyze the supervision methodology, and prepare supporting tools for evaluation and analysis.

In terms of operations, four (4) examinations of financial institutions have been carried out, focusing on the assessment of IT systems and implemented cybersecurity measures, including governance and decision-making regarding the systems and practices implemented. In addition, an overall assessment of the state of information security in the financial industry has been carried out, including the level of maturity of the measures in place. This report, which will be published during the first half of 2025, will serve as a basis for identifying corrective measures and priorities for further addressing.

In the framework of cooperation and knowledge exchange, various meetings have been held in this field both domestically and internationally, including collaborations with organizations such as IFC, IMF, CEF, MasterCard, as well as with local associations and local and international partners. These engagements have helped in the acquisition of best practices and in strengthening cooperation for institutional capacity building.

The CBK remains committed to further advancing the regulatory framework, raising awareness of technological risks, continuous and transparent communication, and strengthening the resilience of the financial sector to cybersecurity challenges.

2.7. Reconsideration of requests from financial institutions

In the exercise of its supervisory powers, the Central Bank of the Republic of Kosovo (CBK) acts in accordance with Article 67, paragraph 4 of Law No. 03/L-209 on the CBK, during the process of imposing administrative penalties on supervised entities/persons. This provision stipulates that, before imposing administrative penalties, the Executive Board of the CBK shall provide the entity/person with a detailed statement, describing the facts and legal basis on which the existence of the violation is based, as well as giving the entity/person the opportunity to present facts and arguments for non-punishment.

The declaration/Preliminary Notice for the imposition of administrative punitive measures, sent by the CBK, also includes legal advice, where the subject (financial institution) is informed of its right to, within 15 calendar days from the date of receipt of the declaration, submit a request for review to the CBK Review Division. If the subject (financial institution) supervised by the CBK decides to appeal, then it sends the request for review to the Review Division.

The Review Division has coordinated with the financial supervision regarding the sending of the Preliminary Notice for taking administrative punitive measures by the CBK to the subject (financial institution), as necessary preliminary preparation, for handling eventual cases of submission of requests for review by financial institutions.

During 2024, 11 requests for review were received from financial institutions, of which 10 requests were carefully reviewed and in accordance with the legal framework, and reports with relevant recommendations for decision-making were drafted by the Executive Board, while one request was received outside the regulatory deadline and did not contain elements of a request for review as required by the Regulation on Procedures for Imposing Administrative Penalties, therefore it was not handled by the Review Division. Consequently, during this process, continuous communication was maintained with the financial institutions that submitted requests for review, as well as with the relevant departments of the CBK, providing the necessary documentation and clarifications for a full and fair review within the legal deadline.

In accordance with the 2024 annual plan, the Regulation on Procedures for Imposing Administrative Penalties was reviewed, with the aim of supplementing and amending it. After finalizing the review, on December 17, 2024, the regulation was approved by the CBK Board.

2.8. Credit Registry

Based on the Law on the Central Bank of the Republic of Kosovo, the CBK may operate, regulate, license, register and supervise credit information systems for the purpose of collecting and disseminating credit information among lending institutions and may issue regulations for the relevant implementation.

Based on this objective that Since 2006, the CBK has managed the Credit Registry (CR) system, which operates as a web-based application and aims to collecting and distributing positive and negative information on natural and legal persons, with the aim of improving the assessment process of credit clients and fulfilling the supervisory function of the CBK.

From a general economic perspective, the Credit Registry facilitates lending in terms of volume and costs, and contributes to financial stability in general by helping lenders make fair decisions, within a shorter time, in a more accurate and objective manner.

Based on the Credit Registry Regulation, members of the CCR system are all financial institutions designated by the CBK to be credit providers, including all licensed commercial banks and micro-finance institutions as well as those non-bank financial institutions and insurance companies licensed to engage in specific credit activities.

The Central Bank of Kosovo has approved the new Methodological Guide for reporting data to the Credit Registry (CRK), with the aim of improving the quality and content of data reported by lending institutions. This guide enables the collection of more detailed information on borrowers, including solvency, loan purpose, collateral assessment and data based on the gender of borrowers as an important element for women's access to finance. The guide also helps the CBK in formulating more accurate policies and supports financial institutions in better assessing credit risk.

The advancement of the guidance with new information has been developed in consultation with financial institutions and with the support of the International Finance Corporation (IFC).

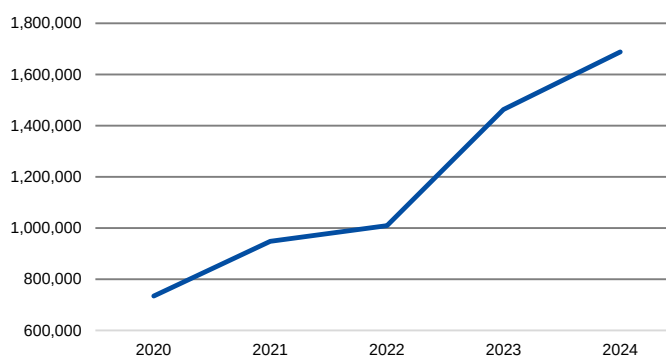
The Central Bank of Kosovo has also made it possible, through the signing of the Memorandum of Cooperation with the Information Society Agency (ASHI), to add the Kosovo Credit Registry (RKK) service to the e-kosova state platform, where citizens have the opportunity to obtain an individual Credit Report directly from the e-kosova state platform, without having to physically request it from the CBK.

Based on the data of the RKR system, there are currently 2,769 active users of credit institutions registered, where the number of users from banking institutions dominates with 1,887 active users, micro-finance and non-banking institutions follow with 855 users and finally insurance companies with 27 active users of the RKR system. During 2024, the Credit Registry has registered 609 new users.

The Credit Registry System is designed to provide an advanced infrastructure for the functioning of the credit market, presenting an important tool for lending institutions in assessing credit risk.

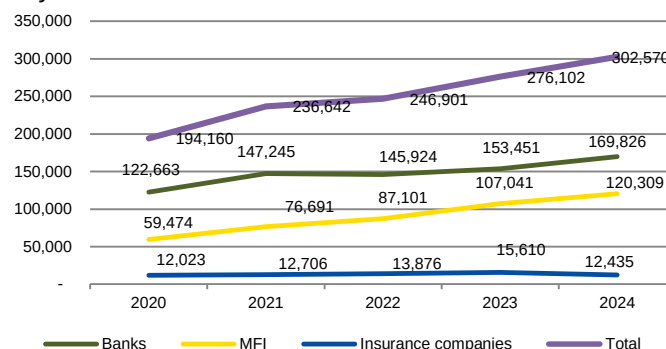
This system is an internet-based application and can be accessed directly and in real time by the staff of lending institutions who research the credit histories of credit applicants, reaching a figure of 1,687,799 researches during 2024 (see Chart 47).

Chart 47. Number of surveys in the CRK system



Source: CBK (2025)

Chart 48. Number of approved loans in the CRK system



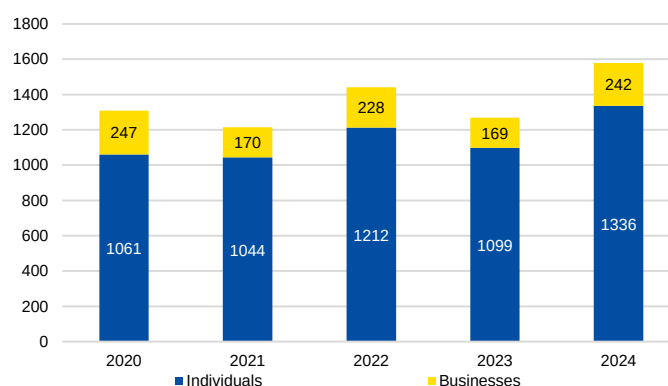
Source: CBK (2025)

All credit providers are obliged to report to the RKR all credit applications and loans issued to their clients in accordance with the terms of the relevant instruction issued by the CBK.

During 2024, 302,570 loans were reported in the RKR, including loans, credit cards, overdrafts, residential mortgage loans, credit lines, guarantees, leasing, factoring and other credit assets. In reporting on approved loans for 2024, banks lead with 169,826 loans, followed by microfinance and non-bank institutions with 120,309 and insurance companies with 12,435 approved loans (see Chart 48).

While the number of the requirements for individual credit reports of borrowers in 2024 increased from the previous year, both for natural persons and legal entities (see Chart 49).

Chart 49. Number of requests for credit reports



Source: CBK

3. Licensing and Regulation of Financial Institutions

Based on the Law on the CBK, its primary objective is to promote and maintain a stable financial system. The CBK is committed to achieving this objective through the fulfillment of its duties and responsibilities as the authority responsible for licensing, supervising and regulating financial institutions operating in the Republic of Kosovo.

The CBK, in implementation of its legal responsibilities as the licensing, regulatory, and supervisory authority of financial institutions in the country, engages in:

Regulating market entry of potential investors, by defining criteria for licensing financial institutions and those institutions that possess sufficient capital to support the envisaged activities, that present appropriate preparations for risk assessment and monitoring, sustainable business plans aimed at impact and competitiveness in the sector, adequate policies and procedures for its control, as well as administrators with a high level of qualification, professionalism and ethics, easy access and trust and communication with the relevant state institutions of the investor's country;

Drafting and maintaining a regulatory framework consisting of a set of minimum criteria and regulatory requirements applicable to financial institutions, in line with primary legislation, European Directives, and international standards;

Developing an effective supervisory process, implementing the principles of risk-based supervision, through on-site examinations, as well as analyzing, evaluating and interpreting data from financial institutions, assessing future financial trends, and the possibility of taking remedial measures to resolve various problems;

Cooperation with financial institutions licensed and supervised by the CBK, as well as with foreign supervisory authorities for banks or relevant regulatory authorities for non-banking institutions operating in the territory of the Republic of Kosovo.

In order to carry out its supervisory functions, the CBK aims for the highest levels of integrity, professionalism, efficiency, transparency and the continuous development of its supervisory capacities.

3.1. Licensing

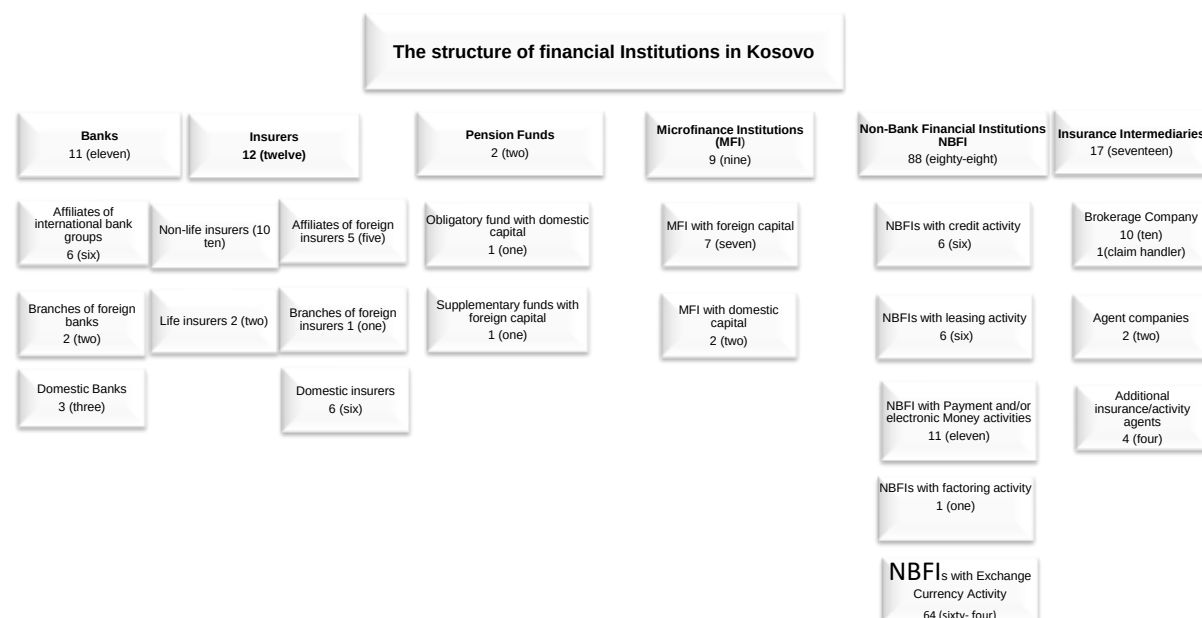
According to the Law on the CBK, the sole authority responsible for the regulation, licensing/registration and supervision of financial institutions in the Republic of Kosovo is the Central Bank of the Republic of Kosovo.

The CBK aims to ensure a meritorious, transparent and inclusive licensing process, which helps to ensure a safe, stable and competitive financial environment built on the principles of justice, fairness and equality. The licensing conditions and criteria are of a supervisory nature and are not intended to establish barriers to investors, whether domestic or foreign, however, they serve to ensure that only institutions that meet the legal requirements at the required level, do not expose the country to risks and bring added value enter the market. The entry of foreign investors into the Kosovo market, especially in the financial sector, demonstrates the open policy of the CBK towards foreign investments, without violating legal requirements, while the practice in some cases has proven the need for their review and advancement, in line with past practices and current challenges.

The structure of the financial system at the end of 2024, by type of licensed and registered financial institutions providing financial services in Kosovo, based on the legislation applied in the Republic

of Kosovo and the regulatory framework in force of the Central Bank of the Republic of Kosovo, ranked by their weight in the system, is presented in Figure 47.

Figure 1. Structure of Financial Institutions Operating in the Financial Market in Kosovo



Source: CBK (2025)

Table 15. Number of financial institutions

Description	2020	2021	2022	2023	2024
Commercial banks	11	11	12	12	11
Insurers	13	12	12	12	12
Pension funds	2	2	2	2	2
Financial auxiliaries	57	53	59	61	65
Insurance intermediaries	18	19	16	17	17
institutions	29	30	30	32	32

Source: CBK (2025)

There are 139 licensed and registered financial institutions operating in the Kosovo financial market, which exercise their activities in the country based on the legislation applied in the Republic of Kosovo and the regulatory framework in force of the CBK.

Regarding access to finance in the municipalities in the north of the country, following the entry into force of the Regulation on Cash Operations on 1 February 2024, the number of financial institutions licensed to operate in the four northern municipalities has almost tripled. This increase is a result of measures planned by the CBK to support the expansion of access to finance and joint activities with the financial sector. Financial education has also been a focus of these efforts, yielding positive results.

As of August 2023, a total of 17 financial institution offices were operating in the north of the country, of which 4 were bank branches, two of which were located at border crossings. According to current data, this number has increased to 38 financial institution offices, marking an increase of 21 offices. Of these, 9 are bank branches, increasing the number of bank branches by five and

strengthening the presence of the banking sector in this region of the country. This increase includes both local and international banks.

The number of institutions in the north of the country until December 31, 2024 is presented in the following table.

Table 1. Number of financial institutions open in the Northern part of Kosovo from August 2023 to December 31, 2024

Financial institution offices	Until August 2023	Until December 2024	Change (number)	Change (%)
Banks	4	9	5	125%
Microfinances	2	4	2	100%
Offices and agents at NBFI	3	5	2	67%
Offices and NBFI	7	16	9	129%
Insurers	1	4	3	300%
Total	17	38	21	124%

Source: CBK (2025)

Banks: The number of banks that have opened offices in northern Kosovo has increased from 4 in August 2023 to 9 in December 2024, marking an increase of 5 offices or 125%. This increase reflects a broader inclusion and increased presence of the banking sector in the region.

Microfinance Institutions: The number of microfinance institutions has doubled, from 2 to 4, representing a 100% increase. This development indicates an increase in demand for alternative financial services from citizens.

Non-banking financial institutions (NBFIs) offices and agents: The number of non-banking financial institutions (NBFIs) offices and agents increased from 3 to 5, marking an increase of 2 units or 67%. This increase reflects a moderate expansion of this segment in the region.

IFJB Offices: The number of IFJB offices has increased from 7 to 16, representing an increase of 9 offices or 129%. This development indicates an increased focus on the provision of non-banking financial services.

Insurers: The number of insurance institution offices has increased from 1 to 4, marking a 300% increase. This significant expansion reflects efforts to better meet the insurance needs in this area.

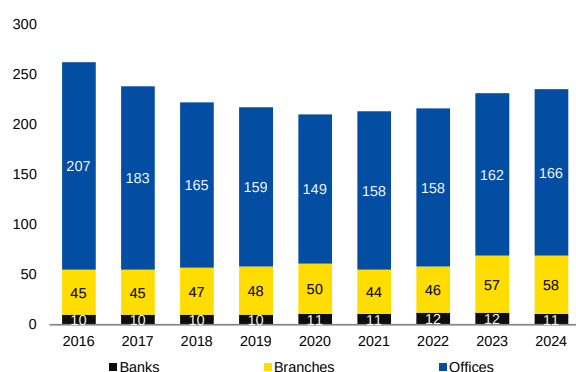
Total: The total number of financial institutions has increased from 17 to 38, an increase of 21 units or 144%. This development demonstrates a significant dynamism in the expansion of the financial sector in northern Kosovo.

Through the new supervisory approach and supervisory dialogue in February 2024, in accordance with the applicable legal framework, the banking license was revoked and the voluntary liquidation process was approved for a branch of a foreign bank operating in the Republic of Kosovo. This decision was taken on the basis of a preliminary agreement reached within the framework of the supervisory and regulatory dialogue between the Central Bank of the Republic of Kosovo (CBK) and the relevant institution. The closure process was carried out in accordance with the voluntary plan submitted by the bank, which envisaged the termination of the relevant activity in an orderly and controlled manner.

3.1.2 Financial system network

At the end of 2024, banks operated in a total of 58 branches and 166 offices within the country (see Chart 50). During this year, with the approval of the CBK, the number of branches of new banks increased by one, while the number of branches of other banks remained almost the same as the previous year.

Chart 50. Banking network by number of branches/offices



Source: CBK (2025)

Chart 51. Distribution of Kosovo's population, by region



Source: KAS (2025)

The geographical distribution of the banking network covers almost the entire territory of the country and was almost the same as the previous year in terms of the number of branches and offices (see Table 16). However, a higher concentration of branches and offices continues to be evidenced in the Prishtina region with 36.0 percent, where the population concentration is also higher at 28.8 percent (see Chart 51).

The five-year trend suggests a consistent strategy of banks in terms of geographical focus. Thus, during this period there is no significant change in other regions in relation to the percentage of branches and bank offices and the trend continues almost proportionally in all regions. However, financial inclusion may result in considering this stretch.

Table 16. Geographical distribution of bank branches and offices

Description	Prishtina region		Prizren region		Peja region		Gjilan region		Mitrovica region		Total
	No.	%	No.	%	No.	%	No.	%	No.	%	
2016	95	36%	38	15%	42	16%	52	20%	35	13%	262
2017	83	35%	37	16%	39	16%	47	20%	32	13%	238
2018	74	33%	35	16%	38	17%	44	20%	31	14%	222
2019	71	33%	35	16%	37	17%	44	20%	30	14%	217
2020	70	33%	34	16%	32	15%	41	19%	34	16%	211
2021	67	33%	34	17%	28	14%	38	19%	34	17%	201
2022	67	33%	35	17%	29	14%	39	19%	33	16%	203
2023	73	33%	37	17%	33	15%	41	19%	35	16%	219
2024	79	34%	39	17%	35	15%	41	17%	41	17%	235

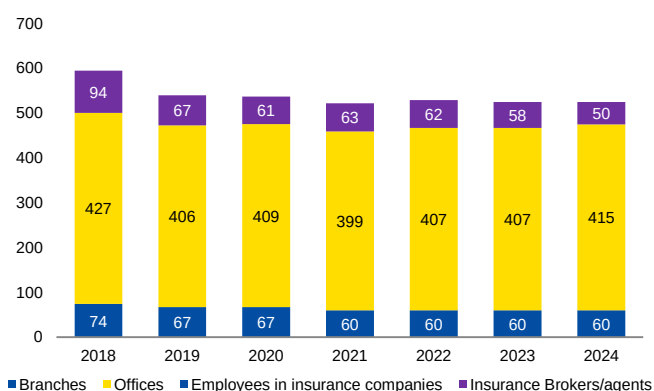
Source: CBK (2025)

Insurers, during 2024, carried out their activities through 60 branches, the same as in the previous year, 415 offices and 50 agents and brokers within the country's territory (see Chart 52), where a slight expansion of the overall network of insurer offices in the country is observed.

The geographical distribution of the insurers' network covers almost the entire territory of the country, but does not match the geographical distribution of the population as in the case of banks.

The concentration of the insurers' network, with emphasis on that of insurers' branches, in 2024 has a higher representation in the

Chart 52. Network of insurers



Source: CBK (2025)

Peja region with 26.7%, followed by the Gjiilan region, which as regions do not reflect the geographical distribution of the population and this structure has been consistent over the last six years (see Table 17).

Table 17. Geographical distribution of insurers' subsidiaries

Years	Prishtina region		Prizren region		Peja region		Gjiilan region		Mitrovica region		Total
	No.	%	No.	%	No.	%	No.	%	No.	%	
2016	11	15.3%	11	15.3%	21	29.2%	18	25.0%	11	15.3%	72
2017	13	17.8%	11	15.1%	20	27.4%	19	26.0%	10	13.7%	73
2018	14	18.9%	11	14.9%	20	27.0%	19	25.7%	10	13.5%	74
2019	13	19.4%	10	14.9%	18	26.9%	17	25.4%	9	13.4%	67
2020	13	19.4%	10	14.9%	18	26.9%	17	25.4%	9	13.4%	67
2021	12	20.0%	9	15.0%	16	26.7%	15	25.0%	8	13.3%	60
2022	12	20.0%	9	15.0%	16	26.7%	15	25.0%	8	13.3%	60
2023	12	20.0%	9	15.0%	16	26.7%	15	25.0%	8	13.3%	60
2024	12	20.0%	9	15.0%	16	26.7%	15	25.0%	8	13.3%	60

Source: CBK (2025)

Pension funds conduct their activities only through central offices located in Prishtina.

Microfinance institutions at the end of 2024, carried out their activity through 149 offices distributed within the country's territory. During 2024, the opening of three (11) offices was approved, as well as the relocation of ten (4) other MFI offices. The geographical distribution of microfinance institutions' offices continues to be mainly concentrated in two regions of the country's territory, in the region of Prishtina and that of Prizren (see Table 18).

Table 18. MFI network by geographical distribution

Description	Prishtina region		Prizren region		Peja region		Gjiilan region		Mitrovica region		Total
	No.	%	No.	%	No.	%	No.	%	No.	%	
2016	27	26%	24	23%	23	22%	19	18%	12	11%	105
2017	29	26%	26	23%	24	21%	20	18%	14	12%	113
2018	32	27%	28	23%	24	20%	22	18%	14	12%	120
2019	37	29%	30	23%	24	19%	23	18%	14	11%	128
2020	38	29%	30	23%	25	19%	23	18%	14	11%	130
2021	12	14%	30	36%	5	6%	23	27%	14	17%	84
2022	39	29%	33	24%	26	19%	24	18%	14	10%	136
2023	41	30%	32	23%	27	20%	24	17%	14	10%	138
2024	45	30%	33	22%	29	20%	26	18%	15	10%	148

Source: CBK (2025)

Non-bank financial institutions at the end of 2024, exercised their activity in a total of 998 offices and agents distributed within the territory of the country. The geographical distribution of branches and offices of the network of non-bank financial institutions is concentrated almost throughout the territory of the country, where the Prishtina region leads with 37 percent, followed by the Gjiilan region with 22 percent, and with the Mitrovica region having the lowest participation in the country (see Table 19). This trend of growth of new offices and agents has contributed to the entry into the market and registration of new financial institutions dealing with payment services, electronic money issuance and foreign exchange.

Table 19. Network of NBFIs (offices and agents) by geographical distribution

Description	Pristina region		Prizren region		Peja region		Gilan region		Mitrovica region		Total
	No.	%	No.	%	No.	%	No.	%	No.	%	
2016	132	29%	85	18%	101	22%	103	22%	41	9%	462
2017	154	29%	96	18%	109	21%	115	22%	52	10%	526
2018	177	30%	111	19%	122	21%	130	22%	53	9%	593
2019	219	31%	126	18%	139	20%	160	23%	65	9%	709
2020	286	33%	150	17%	165	19%	192	22%	82	9%	875
2021	340	36%	163	17%	170	18%	197	21%	80	8%	950
2022	360	36%	177	18%	174	17%	212	21%	81	8%	1004
2023	384	37%	174	17%	177	17%	228	22%	75	7%	1038
2024	369	37%	168	17%	172	17%	223	22%	66	7%	998

Source: CBK (2025)

3.1.3 Licensing activity

In the context of fulfilling the licensing function and ensuring the regular functioning of financial activities, the Central Bank of Kosovo (CBK) has continued to be active in reviewing and handling licensing applications during 2024. In this period, the CBK has reviewed a total of 354 applications, the details of which are reflected in Table 20 of the report. It is worth noting that this number does not include: (i) Applications carried over from 2023 that have been reviewed for decision-making during 2024, (ii) Expressions of interest for licensing or registration that have been submitted to the CBK, but have not progressed to the formal review phase, (iii) Applications that have been handled by the CBK, but do not require formal approval under the applicable regulatory framework,

(iv) Other questions, notifications and assessments that have been the subject of treatment during the reporting period.

During 2024, the CBK has mainly received applications for registration of Non-Bank Financial Institutions (NBFIs), a trend similar to that of the previous year. An increase in applications submitted by the banking sector has also been observed, reflecting the developments and dynamics of this sector in the financial market of Kosovo. Overall, the structure of applications for licensing has remained stable, although with a slight decrease in the total number of applications compared to previous years.

This analysis provides a clear overview of trends and dynamics in the licensing process, underlining the CBK's commitment to supporting a stable financial system protected from operational risks.

Table 20. Structure of financial system requests approved/rejected by the CBK

Transactions	2024					
	Bank	Pension funds	MFI & NBFi	Insurers	Insurance intermediaries	Total
Applications				0	1	1
Main shareholders and changes in equity	1	3	3	1	2	10
Director and senior managers and delegation of functions	22	0	40	23	5	90
External auditor	16		48	19	10	93
Changes in inception and/or status/name	9	0	12	1	2	24
Income from capital interest and transferring of portfolio	0	0	0	0	0	0
Expansion of financial activities	1		0	0	0	1
Opening, moving and closing of branches and offices in the country and abroad	1		11	0	0	12
Licensing and registration of agents/brokers	59		0	4	12	75
Revocation of licensing/registration	35		1	10	8	54
Other	2		2	0	0	4
Total	146	3	117	58	40	364

Source: CBK (2025)

In the licensing process, in addition to legal and regulatory requirements, the CBK has paid special attention to the assessment of the business plan and added value, as well as the implementation

of basic principles and rules for responsible and effective governance by assessing their organizational structures, management, and division of responsibilities.

During 2024, decisions were made and requests for prior approval/rejection were processed, as well as requests voluntarily withdrawn by the financial institutions themselves. There were a total of 354 requests. The nature of the requests approved/rejected in 2024 was as follows:

- The licensing application included a request related to insurance intermediaries (brokers), who according to the legislation in force require prior approval from the CBK;
- The approval of 10 requests for changes in the main shareholder and capital was carried out in accordance with the applicable regulations and standard licensing procedures, including the assessment of compliance with legal and regulatory criteria. The process included the review of complete and accurate documentation submitted by the applicants, the analysis of the impact on the capital structure and financial sustainability of the institutions. In this category, one request for banks, three for pension funds, three for MFIs & NBFIs, one for insurers and two for insurance intermediaries were reviewed;
- The approval of 90 requests for changes in directors and senior managers, as well as delegation of functions, was carried out in accordance with the applicable regulations, ensuring that all applications meet the legal criteria and required professional standards. This process included: twenty-two requests for banks, forty requests for MFIs & NBFIs, twenty-three requests for intermediaries, requests for insurers and five requests for insurance intermediaries;
- The approval of 24 requests for amendments to the founding acts and statutes of financial institutions was carried out in accordance with applicable regulations, ensuring compliance with the legal framework of the Central Bank of Kosovo (CBK). The process included reviewing documentation, assessing legal compliance, verifying the impact on the functioning of the institutions, and ensuring that their structures and purposes reflect good governance. This category included: nine banks, twelve MFIs&NBFIs, one insurer and two insurance intermediaries;
- The approval of a request for the expansion of financial activity includes the assessment of the submitted documentation, the analysis of the adequacy of the proposed plan and the assurance that the new activities are in compliance with the applicable regulatory and legal framework;
- The approval of 75 applications for licensing and registration of agents and brokers included the review of the necessary documentation, verification of compliance with legal and regulatory criteria, and the assessment of the professional skills and integrity of the applicants to ensure that the established standards are met. In this category, fifty-nine applications for banks, four for insurers and twelve for insurance intermediaries were reviewed;
- The approval of 54 requests for withdrawal of agent licensing/registration was carried out after a detailed evaluation process and full verification of documentation. Of this number, thirty-five requests were approved for banks, one for MFIs & NBFIs, ten for insurers and eight for insurance intermediaries;
- The approval of 4 requests in the "Other" category was carried out according to the relevant procedures of the Licensing Division.

During 2024, information meetings were also reviewed and held with interested parties for licensing/registration as financial institutions by the Department of Licensing and Standardization. Applications and requests for 2024 that have not yet been materialized with an application and that are in the process of review are 1 other application/request for

licensing/registration as financial institutions with activities as insurance and reinsurance intermediaries.

Also, during 2024, a voluntary deregistration of a non-financial institution that currently carries out payment service activities was completed.

3.2. Regulation of Financial Institutions

The drafting of new by-laws and the review of the regulatory framework in force aims to supplement and continuously improve it, in order to achieve more effective supervision and in implementing legal requirements for financial institutions licensed/registered and supervised by the CBK, through approximation with the regulatory acts of the European Union and with the basic principles for the effective supervision of other relevant international institutions.

To date, the CBK has built a regulatory framework for the licensing, regulation and supervision of financial institutions based on international best practices, continuously supported by renowned international institutions, such as the World Bank Group (WB), the International Monetary Fund (IMF), USAID, the FED, the US Treasury, the ECB, the European Bank for Reconstruction and Development (EBRD), KfW, GIZ and other international institutions. The regulatory framework has been drafted in accordance with European directives addressing the regulation of financial institutions, as well as international standards and best practices for the regulation and supervision of financial institutions. In addition, the CBK has continued the gradual process towards approximation with the core principles for banking supervision, issued by the Bank for International Settlements (BIS), as well as the core principles for the supervision of insurers issued by the International Association for Insurance Supervision (IAIS). Since the above-mentioned directives, international standards, and principles regarding the regulation of financial institutions and their field of activity are dynamic in nature, this makes the drafting of the regulatory framework a continuous and complex process as it requires the completion and amendment of the existing legal and regulatory framework, as well as an adequate approach in order to carefully study the specific circumstances of Kosovo, for an adequate adaptation of these international legal instruments in function of the needs of the financial sector in Kosovo.

In addition, the CBK has initiated and chaired the group for drafting the law on banks, the law on payment services, while continuing the activity on the law on microfinance institutions (non-banking). It is also in the process of reviewing legal amendments in the field of insurance - the law on auto liability, and has participated in the working group for the concept document on capital markets which was approved on 18 December 2024, by the Government of the Republic of Kosovo.

3.2.1 Legal framework applicable to financial institutions⁷

3.2.1.1 New Law on Banks

The CBK has initiated and chaired the working group for the drafting of the draft law on banks. This draft law was adopted by the Assembly of Kosovo on 5 December 2025. Law No. 08/L-304 on banks aims to regulate the banking and financial activity of banks in the Republic of Kosovo, in order to promote and maintain a stable financial system, ensuring an appropriate level of protection of depositors' interests, through the regulation of the criteria for the establishment and licensing of banks, the organization and sound management of banks, the prudential supervision of banks, consumer protection, as well as the recovery, closure and liquidation of banks.

⁷The new Law on Banking (Law No. 08/L-304), the Law on Payment Services (Law No. 08/L-328) and the new Law on AML/CFT (Law No. 08/L-333) adopted by Parliament are not yet in force and have not been published in the Official Gazette, due to constitutional review.

This Law consists of 150 articles, divided into four chapters and harmonizes the legal framework for banks in Kosovo with the Acquis of the European Union, as follows:

Regulation on prudential requirements for credit institutions and investment firms (Regulation 575/2013/EU, amending and supplementing Regulation 648/2012/EU).

Directive on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.⁸

Directive establishing a framework for the recovery and resolution of credit institutions and investment firms.⁹

This Law shall apply to all banks, including branches of foreign banks carrying out banking and financial activities, their shareholders, board of directors, senior managers, employees, agents and their subsidiaries, and shall apply to aspects of the accounting and financial reporting system of banks, including auditing requirements.

3.2.1.2 Law on Payment Services

Law No. 08/L-328 on Payment Services was adopted by the Assembly of the Republic on 5 December 2024. This law provides a general framework for payment services and related activities within Kosovo, in order to harmonize the national legal framework with the relevant directives and regulations of the European Union, based on Kosovo's international commitments under the Stabilization and Association Agreement signed with the European Union. In fulfillment of these commitments, the Law on Payment Services aims to transpose the following important directives in the field of payments:

4.1. Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 “on payment services in the internal market”;

4.2. Directive (EU) 2009/110/EC of the European Parliament and of the Council of 16 September 2009 “on the taking up, monitoring and prudential supervision of the business of electronic money institutions”;

4.3. Directive (EU) 2014/92/EU of the European Parliament and of the Council of 23 July 2014 “on the comparability of fees related to payment accounts, payment account switching and payment account access”;

4.4. Regulation (EU) 2015/751 of the European Parliament and of the Council of 29 April 2015 “On interchange fees for card-based transactions”; and

4.5. Regulation (EU) 2024/886 of the European Parliament and of the Council of 13 March 2024 amending Regulations (EU) 260/2012 and (EU) 2021/1230 and Directives (EU) 98/26/EC and (EU) 2015/2366 as regards instant credit transfers in euro.

The Law on Payment Services aims to regulate the provision of payment services and the issuance of electronic money in Kosovo, creating an integrated and clear legal framework for the financial sector. Through this Law, the entities authorized to provide these services are determined. The Law establishes detailed criteria for authorization and supervision for financial institutions that provide payment services, stipulating that the supervisory role belongs to the CBK, which has the right to supervise the activities of the relevant institutions on an ongoing basis. The Law emphasizes the importance of transparency in the manner of execution of transactions, which are

⁸ Directive 2013/36/EU, amending and supplementing Directive 2002/87/EC, and repealing Directives 2006/48/EC and 2006/49/EC

⁹ Directive 2014/59/EU, amending and supplementing Directives 82/891/EEC, 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, as well as Regulations (EU) No 1093/2010 and 648/2012

carried out in a safe and reliable environment, establishing clear rules for payment procedures, risk management and data storage. The Law also establishes mechanisms for resolving complaints and preventing violations, including administrative measures that are applied in case of non-compliance with the established norms.

3.2.1.3 Law on amending and supplementing Law no. 05/L-096 on the Prevention of Money Laundering and Combating the Financing of Terrorism

Law No. 08/L-333 supplements and amends Law No. 05/L-096, was adopted by the Assembly of the Republic of Kosovo on 5 December 2024, with the aim of further aligning the legal framework of Kosovo on the prevention of money laundering and terrorist financing with the EU AML/CFT Directives and the FATF standards. This normative act constitutes an essential part of a comprehensive legal framework, designed to prevent money laundering and terrorist financing. According to its provisions, reporting entities are obliged to apply strong customer due diligence measures, including identity verification and determination of the beneficial owner. Depending on the risk assessment, simplified due diligence may be applied for low-risk scenarios, while high-risk cases require continuous monitoring and updating of information. Also, any suspicious transaction must be reported within 24 hours, while any cash transaction that reaches or exceeds the threshold of ten thousand euros (or equivalent) must be reported immediately. This Law also includes a safeguard provision that protects reporting entities, directors, senior managers and employees from civil or criminal liability when reporting in good faith. In this way, the amendment under Law No. 08/L-333 strengthens the commitment of the Republic of Kosovo in the fight against money laundering and terrorist financing, by creating a stronger regulatory environment, based on a risk assessment approach, and by approximating the legal framework with international standards. This law transposes Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU.

3.2.1.4 Concept Document for Capital Market Development

On December 18, 2024, the Government of the Republic of Kosovo approved the Concept Paper for the Development of the Regulatory Framework for Capital Markets. This concept paper aims to develop a comprehensive regulatory framework for capital markets in Kosovo, with the aim of increasing access to long-term financing for businesses and encouraging investment. The paper identifies current shortcomings in the existing legislation, particularly in the area of issuance, registration and transfer of securities, as well as the lack of rules for investor protection and prevention of market abuse.

In this context, three options have been proposed; among which option 3 – the adoption of a comprehensive regulatory framework, is recommended to cover:

- The development of a corporate bond market,
- The creation of new legislation for capital markets to define financial activities and ensure transparency,
- Creating a framework for investment funds based on EU standards (such as UCITS and AIFMD).

The consultative process involved key institutions, including the CBK, the Prime Minister's Office and the Ministry of Finance, as well as public stakeholders, ensuring a broad reflection of interests. The CBK has actively participated in the drafting of this document, delegating a member to the working group, in accordance with its constitutional and legal role in regulating and standardizing the financial legal framework.

The implementation of this framework is expected to bring economic and social benefits, increasing competitiveness, innovation and job creation, and will strengthen the basis for the development of capital markets infrastructure in the Republic of Kosovo.

3.2.1.5 Draft Law on Microfinance and Non-Banking Institutions

During 2024, the drafting of the Law on Microfinancial and Non-Banking Institutions as well as the Law on Mandatory Motor Liability Insurance continued.

3.2.2 Regulatory framework for banking supervision

In order to further develop the regulatory framework for bank regulation, the following activities were carried out during 2024:

3.2.2.1 Country risk and transfer risk regulation

The Board of the Central Bank, at its meeting held on 30 April 2024, has approved this regulation which aims to establish a unified framework for the management of country and transfer risks. Its purpose is to ensure that banks and branches of foreign banks licensed in the Republic of Kosovo operate based on established standards, including the definition of country risk which refers to the possibility or risk that a foreign borrower (state or other) will be unable or unwilling to meet its obligations due to country-specific conditions, which may be economic, political, social, natural or other events, as well as transfer risk which is one of the country risks.

3.2.2.2 Regulation for directors and senior managers of banks

This regulation establishes the "fit and proper" criteria for directors and senior managers of banks, requiring the prior approval of the Central Bank (CBK) during the licensing and reappointment process, in order to maintain their integrity, sound judgment, leadership, competence and financial stability.

3.2.2.3 Sub-legal acts in the drafting process for banks

While an advisory letter on the management of climate and environmental risks was drafted as part of the project with the World Bank (FinSAC), during 2024, the drafting of regulations in the banking sector continued, focusing on internal audit and control, liquidity, corporate governance, information and risk management systems, as well as other necessary legislation for the advancement of the sector.

3.2.3 Regulatory framework for insurers

In order to further develop the regulatory framework for insurers and insurance intermediaries, the following legal and sub-legal acts were drafted during 2024:

3.2.3.1. Regulation on liquidity risk management of insurers

The Regulation on Liquidity Risk Management of Insurers sets out the minimum standards and requirements for effective liquidity risk management by insurers in the Republic of Kosovo, in order to ensure the maintenance of high-quality liquid assets, which can be easily converted into cash to meet short-term financial obligations.

3.2.3.2. Regulation on Supplementing and Amending the Regulation on Insurance Actuaries

This regulation, adopted by the Board of the Central Bank on 29 March 2024, aims to supplement, amend and harmonize the Regulation on Insurance Actuaries (the basic regulation), adopted on 31 March 2016. This supplement and amendment aim to improve the quality of actuarial practices in the insurance sector. The main change includes the addition to Article 14 of the basic regulation of

a provision prohibiting the engagement of an actuary to perform actuarial actions for more than two insurers simultaneously.

3.2.3.3. Regulation on risk retention and reinsurance coverage requirements

The Regulation on Risk Retention and Reinsurance Coverage Requirements was approved on 30 April 2024 by the Board of the Central Bank. The approved Regulation sets out the requirements that insurers must follow for risk retention and reinsurance coverage, in case the insured risk exceeds the maximum limit of 10% of their core capital.

3.2.3.4. Regulation on transactions with related persons of insurers

This regulation, which was approved by the Central Bank Board on December 17, 2024, sets out the principles and requirements that licensed insurers must apply in transactions with their related parties.

3.2.3.5 Sub-legal acts in the drafting process for insurers

During 2024, the drafting of regulations in the field of insurance continued, focusing on the management of operational risk of insurers, internal audit of insurers, corporate governance of insurers, licensing of insurers and branches of foreign insurers, as well as other acts necessary for the sector.

3.2.4 Regulatory Framework for Pension Funds

In order to further develop the legal and regulatory framework of pension funds during 2024, the following bylaws have been drafted:

3.2.4.1 Regulation on Systems and Information Security for Pension Funds

On 28 February 2024, the Board of the Central Bank of the Republic of Kosovo approved the Regulation on Information Systems and Security for Pension Funds. This Regulation on Information Systems and Security for Pension Funds sets out the minimum criteria and conditions that funds must meet for the organization and operation of their information technology systems. The main purpose is to reduce the operational risk that may arise from the misuse of IT systems, ensuring the reliability and continuity of the fund's operations.

3.2.4.2 Sub-legal acts in the drafting process

During 2024, the drafting of regulations in the field of pensions continued, focusing on internal controls and internal audit for Pension Funds, as well as the Corporate Governance of Pension Funds.

3.2.5 Regulatory Framework for Microfinance and Non-Banking Institutions

In order to further develop the regulatory framework for regulating microfinance and non-banking institutions, the following draft legal and sub-legal acts were drafted during 2024, the adoption of which will depend on compliance with the new law, where there will be changes.

3.2.5.1 Regulation on Supplementing and Amending the Regulation on External Audit of Microfinance Institutions

The Regulation on Supplementing and Amending the Regulation on the External Audit of MFIs aims to update the basic regulation adopted on 29 August 2013. The main changes stipulate that the same employment of the external auditor shall be limited to five consecutive years, with the possibility of renewal only after a two-year break, while the auditors currently engaged by the CBK may not exceed the five-year period starting from the date of their first engagement. In addition, the auditors must meet the legal requirements for accounting, financial reporting and auditing,

thus ensuring their independence, while all other provisions of the basic regulation remain valid. This regulation is considered an integral part of the basic regulation and entered into force on 30 August 2024.

3.2.5.2 Regulation on Supplementing and Amending the Regulation on Internal Controls and Internal Audit of Microfinance Institutions

The Regulation on Supplementing and Amending the Regulation on Internal Controls and Internal Audit Functioning of Microfinance Institutions aims to update the basic regulation adopted on 29 August 2013. This regulatory act stipulates that the head of the internal audit function must meet the criteria set out in Article 12 of the Regulation on Registration of Microfinance Institutions, be certified in the field of auditing by an internationally recognized accredited institution in Kosovo, or by an institution accredited by the competent authority in the country of establishment of the certification services, have a high ethical and professional reputation and adequate experience in auditing. Microfinance institutions are obliged to meet these requirements within a period of two years from the entry into force of this regulation, while all other provisions of the basic regulation remain in force, with effect from the entry into force of this regulation on 1 March 2025, being considered an integral part thereof.

3.2.5.3 Regulation on Supplementing and Amending the Regulation on External Audit of Non-Banking Financial Institutions

The Regulation on Supplementing and Amending the Regulation on the External Audit of NBFIs aims to update the basic regulation adopted on 27 December 2018. The main changes stipulate that the same employment of the external auditor shall be limited to five consecutive years, with the possibility of renewal only after a two-year break, while the auditors currently engaged by the CBK may not exceed the five-year period starting from the date of their first engagement. In addition, the auditors must meet the legal requirements for accounting, financial reporting and auditing, thus ensuring their independence, while all other provisions of the basic regulation remain valid. This regulation is considered an integral part of the basic regulation and entered into force on 30 August 2024.

3.2.5.4 Regulation on Supplementing and Amending the Regulation on Internal Controls and Internal Audit of Non-Banking Financial Institutions

This regulation, which supplements and amends the basic regulation adopted on 27 December 2018, stipulates that the head of the internal audit function must meet the requirements of Article 12 of the regulation on the registration of non-bank financial institutions, be certified as an auditor by institutions accredited in Kosovo, internationally recognized, or by institutions accredited by the competent authorities, and have a high ethical and professional reputation, as well as adequate qualifications and experience in the field of auditing. This regulation also stipulates that non-bank financial institutions must meet the requirements of this regulation within a period of two years from the date of entry into force, while all other provisions of the basic regulation remain in force.

3.2.5.5 Sub-legal acts in the drafting process for microfinance and non-banking institutions

During 2024, the drafting of regulations in the field of microfinancial and non-banking institutions continued, focusing on corporate governance, liquidity risk management, and other relevant regulatory frameworks for the microfinancial and non-banking institutions sector.

3.2.6 Regulations under the new Payment Services Law, necessary for applying for SEPA membership

The Republic of Kosovo, through the Central Bank of the Republic of Kosovo (CBK), has submitted its preliminary application for inclusion within the geographical scope of the Single Euro Payments Area (SEPA). This preliminary application represents an important turning point in Kosovo's

European integration journey, reflecting the Republic of Kosovo's continued commitment to align its financial and regulatory framework with European Union (EU) standards. To this end, the Republic of Kosovo and in particular the CBK has taken important steps to improve the legal, institutional and regulatory framework for payment services through comprehensive reforms.

The CBK has consistently demonstrated its commitment to aligning legislation with EU standards and regulations, and recent legislative changes in the areas of payment services, prevention of money laundering (AML), combating the financing of terrorism (CFT), consumer and data protection. The regulations prepared by the CBK have ensured that our financial system is in line with key EU directives, including the Payment Services Directive (PSD2), the Capital Requirements Directives and Regulations (CRD IV, CRR), the Electronic Money Directive (EMD2), the Payment Accounts Directive (PAD), the EU Interchange Fee Regulation (IFR) and the broader EU AML/CFT framework. The regulations drafted for this purpose are listed below and will enter into force upon the entry into force of Law No. 08/L-328 on payment services.

3.2.6.1 Regulation on the official administration and liquidation of payment institutions and electronic money institutions

The purpose of this Regulation is to determine the procedures for the official administration and liquidation of payment institutions and electronic money institutions. This Regulation applies to all payment institutions (PIs) and electronic money institutions (EMIs) authorized, in accordance with the Law on Payment Services, to operate in the Republic of Kosovo.

The Regulation on the Official Administration and Liquidation of Payment Institutions and Electronic Money Institutions contains 24 articles and regulates the following issues:

- Appointment and dismissal of the Official Administrator
- Powers and duties of the Official Administrator
- Official administration procedures from taking control to the completion of the administration process
- Types of liquidation (voluntary and compulsory liquidation)
- Grounds for initiating compulsory liquidation, powers of the liquidator and deadlines

3.2.6.2 Regulation for agents of payment service providers

The purpose of this draft regulation is to define the requirements and regulate the use of payment service providers' agents. This regulation will apply to all payment service providers authorized by the Central Bank of the Republic of Kosovo and their agents in the Republic of Kosovo.

According to Article 2, paragraph 1, subparagraph 1.1 of this draft regulation, payment service provider means the institutions defined in paragraph 1 of Article 1 of the Law on Payment Services or the natural or legal person benefiting from the exemption under Articles 24 or 25 of the Law on Payment Services (banks, payment institutions and electronic money institutions).

The Regulation on Payment Service Provider Agents is divided into three chapters and 18 articles and regulates the following issues:

- General provisions;
- Agent registration, revocation of agent registration, public registration of agents and prior approvals; and
- Requirements for the use of agents by payment service providers.

16.2.6.3 Regulation on the authorization, prior approval and governance of payment and electronic money institutions and the registration of account information service providers

The purpose of the regulation on the authorization, prior approval and governance of payment and electronic money institutions and the registration of account information service providers is to determine the conditions, requirements, procedures and deadlines that must be respected for:

- authorization of payment institutions and electronic money institutions;
- registration of account information service providers;
- information that must be provided to the Central Bank of Kosovo upon application for authorization as a payment institution or electronic money institution and for registration as an account information service provider in accordance with Article 12 paragraph 1, Article 25 paragraph 1 and Article 29 paragraph 1 of the Law on Payment Services;
- granting prior approvals for transactions that require prior approval from the CBK for the performance of the activity of payment institutions, electronic money institutions and account information service providers;
- obligations of payment institutions, electronic money institutions and account information service providers to notify the CBK when carrying out their activities.
- the organization, management and administration of the payment institution, electronic money institution and account information service provider.

3.2.6.4 Regulation on the initial capital and regulatory capital of payment institutions and electronic money

The purpose of this regulation is to determine the capital requirements applicable to payment institutions and electronic money institutions, in accordance with Article 9, Article 10, points 1 and 3, Article 30 and Article 31, paragraphs 1, 2 and 7 of the Law on Payment Services. This regulation shall apply to payment institutions and electronic money institutions authorized by the CBK under the Draft Law on Payment Services.

Content:

- The Regulation on the Initial Capital and Regulatory Capital of Payment Institutions and Electronic Money is divided into 8 articles and regulates the following issues:
- Initial capital of payment institutions and electronic money;
- Regulatory capital (own funds) of payment and electronic money institutions and the methods for their calculation;

3.2.6.5 Regulation on accounting and external audit of payment and electronic money institutions

This regulation aims to define the regulatory framework relating to accounting and external auditors of payment institutions and electronic money institutions and to determine the quality of services provided by external auditors in relation to the specific risks of these institutions and the financial sector in general.

This regulation sets out the conditions for financial reporting and auditing of Payment Institutions and Electronic Money Institutions.

3.2.6.6 Regulation on internal controls and internal audit of payment and electronic money institutions

The purpose of this regulation is to set out the basic principles for the organization and functioning of internal controls and the internal audit function within payment institutions and electronic

money institutions. This regulation on internal controls and internal audit of payment institutions and electronic money institutions is divided into two main parts, internal controls and internal audit, and into 12 articles which regulate the following issues:

- Requirements for the internal control system;
- Control activities and division of duties;
- Monitoring activities and correcting deficiencies;
- Internal audit function;
- Outsourcing of internal audit.

3.2.6.7 Regulation on the protection of funds requirements applicable to payment institutions and electronic money institutions

The Regulation on the protection of funds requirements applicable to payment institutions and electronic money institutions aims to determine the requirements for the protection of funds by payment institutions and electronic money institutions in accordance with Article 11, subparagraph 1.1, Article 33, paragraph 3, Article 29, paragraph 3, and Article 124, subparagraph 8.4 of the Law on Payment Services.

The Regulation on the protection of funds requirements applicable to payment institutions and electronic money institutions is divided into 8 articles and regulates the following issues:

This regulation sets out the requirements for the safekeeping of funds by Payment Institutions and Electronic Money Institutions in Kosovo. It ensures that Payment Institutions and Electronic Money Institutions in Kosovo protect user funds by holding them in segregated accounts or through insurance policies, preventing their mixing with the institution's funds.

The regulation aims to increase the security and reliability of financial transactions by ensuring that users' funds are always adequately protected.

3.2.6.8 Regulation on subcontracting activities

This regulation regulates the subcontracting of activities, including sustainable risk management, in relation to the subcontracted functions, in particular for the subcontracting of critical or important functions.

The Regulation on Subcontracting Activities is divided into 6 chapters and 30 articles which regulate the following issues:

- General provisions;
- Proportionality, group application and institutional protection schemes;
- Management of subcontracting activities;
- Regulation of the process of subcontracting activities;
- The obligation for prior approval of subcontracting activities; and
- The final provisions, which also provide for a transitional period of 24 months;

3.2.6.9 Regulation on the public register of payment institutions and electronic money

The purpose of this regulation is to create a public register of payment institutions, electronic money institutions and agents of these institutions in accordance with Article 18 of the Draft Law on Payment Services.

The Regulation on the Public Register of Payment Institutions and Electronic Money is divided into 4 chapters and 11 articles which regulate the following issues:

- General provisions;
- The content of the public register, the institutions/persons that should be included in it;
- Institutions that only need to be registered in this register; as well as
- Final provisions.

3.2.6.10 Regulation on the transitional period for the implementation of the law on payment services

The Regulation on the Transitional Period for the Implementation of the Law on Payment Services consists of 6 articles that regulate the issue of the transitional period applicable to entities and persons subject to the Law on Payment Services. The main purpose is to ensure that these entities adapt their operations to meet the requirements of the new law, especially given the fact that Kosovo is soon expected to join the Single Euro Payments Area (SEPA) and enable national providers to participate in SEPA schemes. The Regulation requires all authorized or registered payment service providers, including banks and electronic money institutions, to adapt their activities to Chapters III and IV of the Law on Payment Services.

3.2.6.11 Regulation on the determination of requirements for credit transfers and direct debit transactions in euro

This regulation sets out the requirements for credit and direct debit transactions carried out in Euro currency within Kosovo and between Kosovo and the SEPA area, where both the Payment Service Provider (PSP) of the payer and the PRB of the payee are located in Kosovo or one of the PRBs is located in Kosovo and the other within the SEPA area, or where the only PRB involved in the payment transaction is located in Kosovo.

This regulation is consistent with the EU SEPA Regulation, establishing uniform technical and business requirements for euro transactions in Kosovo.

3.2.6.12 Regulation on the criteria for determining the minimum monetary amount of professional liability insurance or other similar guarantees

The Regulation on the criteria for determining the minimum monetary amount of professional liability insurance or other similar guarantees specifies the criteria and indicators on how to determine the minimum monetary amount of liability insurance or other similar guarantees for entities applying for authorization as a payment initiation service provider (SHIP) or registration as an account information service provider (SHILL).

The draft regulation provides guidance to competent authorities on the criteria for determining the minimum monetary amount of professional indemnity insurance (PII) or other comparable guarantees for two new services defined in the LSHP: payment initiation services (SHIP) and account information services (SHILL). The regulation also contains Annex I, on the calculation of the minimum monetary amount of professional liability insurance or similar guarantees.

3.2.6.13 Regulation on Information and Communication Technology - information technology risk management and security

Regulation on Information and Communication Technology - Information Technology Risk Management and Security, contains comprehensive updates to the information technology risk management and security framework in financial institutions by specifying the processes and frameworks that institutions can use to effectively manage security and privacy risks to

organizational operations and assets, individuals and other organizations with particular emphasis on communication between senior leaders, managers and operational personnel.

3.2.6.14 Regulation to notify the Central Bank of Kosovo of major operational or security incidents

The Regulation clarifies which incidents should be classified as major incidents by the PRB, regulates the notification process, specifies the content of the initial, interim and final report, delegated and consolidated reporting and the operational and security policies that PRBs should ensure regarding the responsibilities for reporting incidents. The Regulation also contains Annex I, on reporting for payment service providers and Annex II - Instructions to competent authorities (CBK) on the criteria for assessing the significance of the incident and the details of the incident reports that should be shared with other local authorities.

3.2.6.15 Regulation on technical standards for strong customer authentication and open, common and secure communication standards

The Regulation on technical standards for strong customer authentication and open, common and secure communication standards regulates the general authentication requirements that PRBs use as functional transaction monitoring mechanisms that enable them to detect unauthorized or fraudulent payment transactions for the purpose of implementing security measures.

Furthermore, this regulation includes the process of reviewing security measures, authentication code, dynamic links, requirements for elements categorized as knowledge and possession, and other technical aspects related to requirements for authentication elements.

The regulation also clarifies the part when PRBs may not implement enhanced customer authentication, if the requirements set out in Article 3 are met.

3.2.6.16 Regulation on the process of handling complaints from financial institutions

This regulation aims to establish the criteria and procedures for establishing an internal function for handling and managing customer complaints by licensed financial institutions supervised by the CBK. It provides that each financial institution shall establish an independent and impartial mechanism, in order to handle complaints in a fair and equitable manner, ensuring timely resolution of the issues raised. To this end, the regulation establishes detailed instructions for submitting complaints through various means of communication (online, telephone, letter, e-mail, social media or in person), for confirming their receipt, for registering them in an electronic database with a unique identification number, as well as for respecting certain deadlines that, in general, determine the resolution of complaints within 15 days, with faster deadlines for some specific cases.

3.2.6.17 Regulation on the prevention of money laundering and terrorist financing

The Regulation on the Prevention of Money Laundering and Financing of Terrorism aims to establish the criteria and procedures for managing the process of preventing money laundering and financing of terrorism in accordance with Law No. 05/L-096. The Regulation applies to all financial institutions, including banks, branches of foreign banks, microfinance institutions, non-bank financial institutions, payment service providers, insurers and currency exchange offices. It defines key definitions, such as senior manager, financial services, FIU-K, shell bank, payment through account and resident. Furthermore, the Regulation emphasizes the importance of regular staff training and internal and external auditing to ensure compliance with legal requirements.

3.2.6.18 Regulation on information that must accompany transfers of funds

This regulation, approved by the CBK Board on 26 June 2024, sets out the rules on the information that must accompany transfers of funds, for the purposes of preventing money laundering and terrorist financing. The regulation aims to ensure that every transfer, in any currency, includes

complete information on the payer and the beneficiary, according to the requirements set out in the relevant laws. In case the transfer is made from a payment account, the necessary information includes the name, account number, address and other identifying data, or a unique transaction identifier. For transfers not made from a payment account, payment service providers must verify the accuracy of the information using documents or data from reliable sources.

3.2.7 Other regulatory activities

Other activities that can be highlighted during 2024 are:

Activities regarding reports, questionnaires and various other documents received from the European Commission, the Government of the Republic of Kosovo and other international organizations;

Analyzing and preparing responses regarding requests for opinions from financial institutions and organizational units within the Financial Supervision Department at the CBK, regarding the compliance of financial institutions' actions with regulatory requirements; etc.

3.3. CBK activity in the legal and compliance field

In the context of fulfilling its mandate to guarantee financial stability, as well as to regulate and supervise financial institutions, the Central Bank of the Republic of Kosovo (CBK) has developed and approved the relevant legal framework during 2024. Legal activities have included the drafting and implementation of primary and secondary legislation, as well as the implementation of a series of other legal actions aimed at strengthening a stable and efficient financial system.

In this regard, the CBK has continued to advance the legal framework in line with European Union directives and international standards, by adopting and implementing key legislation for the development of the financial sector. In this context, secondary regulatory acts necessary for the regulation of financial institutions and the provision of payment services have been drafted and adopted, ensuring harmonization with international best practices and preparing for the integration of the Kosovo financial sector into the EU financial market.

The adoption of three key laws for the development of the financial sector in the country – Law No. 08/L-304 on Banks, Law No. 08/L-328 on Payment Services and Law No. 08/L-333 on Amending and Supplementing Law No. 05/L-096 on the Prevention of Money Laundering and Combating the Financing of Terrorism – has created the legal basis for further steps towards the membership of the Republic of Kosovo in the Single Euro Payments Area (SEPA). These laws, which are fully harmonized with the *acquis* of the European Union, were adopted by the Assembly of Kosovo on 5 December 2024. Their entry into force enables the integration of the Kosovo financial sector into the European Union financial market, contributing to increased transparency, full financial inclusion and economic development of the country.

In addition, concrete steps have been taken to prepare the necessary legal framework for the expansion of the geographical scope of SEPA, in accordance with the criteria set out in the relevant documents. A legal opinion on the SEPA application has also been drafted, confirming significant regulatory progress and readiness for compliance with SEPA requirements.

In this regard, the CBK has adopted a series of regulations deriving from these laws, which have been reviewed and approved by its decision-making bodies as part of the regulatory package for the SEPA application. Also, in order to harmonize with the legal framework for payment services, the banking system and the prevention of money laundering and combating the financing of terrorism, amendments and supplements have been made to several existing regulations.

In addition, a series of regulations have been adopted that regulate the activities of the insurance sector, pension funds, microfinance institutions and non-bank financial institutions, with the aim of strengthening supervision and increasing the stability of these segments of the financial market.

Recently, Law No. 08/L-295 on Crypto-Assets has also entered into force, as a legal initiative of the Assembly of Kosovo, which has influenced the legal framework applicable to the CBK, with legal and regulatory requirements to be addressed by the CBK through its regulations. This law aims to regulate the licensing, authorization and supervision of operators that carry out activities related to the issuance, distribution, trading and storage of crypto-assets. This law also determines the conditions of operation and organization of operators in this field, providing a clear regulatory framework. Based on this law, the CBK is authorized as the authority responsible for issuing licenses and authorizations for the operation of entities in this sector. For the full implementation of the law, the CBK is in the process of drafting the relevant sub-legal acts.

In the context of fulfilling its legal duties, the CBK has also taken steps to reach cooperation and understanding agreements with local and international institutions, with the aim of strengthening regulatory cooperation and exchanging experiences.

Another key aspect of legal activity has been ensuring the effective protection of the CBK's institutional interests, including representation in administrative and other matters requiring legal support. Measures have also been taken to manage legal risk and strengthen compliance mechanisms, with the aim of guaranteeing the legal certainty and institutional integrity of the Bank.

The Central Bank of the Republic of Kosovo remains committed to ensuring compliance of its activities with applicable legislation and the Law on the CBK. In line with its strategic objectives, the CBK will continue to advance an effective regulatory framework for the supervision of the financial system, contributing to its stability and sustainability, as well as to the secure functioning of the payment system in Kosovo.

4. Payment System

Providing secure, stable and efficient payment systems is one of the main objectives of the CBK. The interbank payment system, developed, supervised and administered by the CBK, has ensured maximum availability during 2024, guaranteeing the processing and settlement of payments for all economic participants in the country.

In fulfilling this objective, the CBK prioritizes the regulatory, operational, supervisory and catalytic function for maintaining the security of the payment infrastructure and further developing the payment services market. To this end, the CBK is working on the implementation of the Strategic Plan 2024-2028, in which one of the main goals is the modernization of the financial market infrastructure. In addition, the CBK has continued its work on the implementation of the National Strategy for Small Value Payments 2021-2026. As a result, during 2024, there were dynamic developments in the field of payment services, both in the regulatory, operational and supervisory aspects.

In early 2024, the CBK re-initiated and organized the annual meeting of the National Payments Council (NPC) with expanded membership. In this context, the focus was on the necessary preparations for fulfilling the criteria for membership in the payment schemes in the EU area (SEPA), taking measures to reduce the use of cash, as well as implementing the fast payments infrastructure, with a focus on integration into the European Union's fast payments system, known as TIPS.

Also, at the beginning of 2024, the Regulation on the Structure and Use of the Unique Payment Account Identifier (IBAN) for National and International Transactions entered into force, which enables the provision of the payment account identification code (known as KIO) also for non-bank financial institutions authorized by the CBK to provide payment services and electronic money. This regulation, which was approved at the end of 2023, aims to determine the rules for the use, structure and communication of IBAN as a unique payment account identifier for credit transfer transactions and direct debits in the Republic of Kosovo and internationally.

In view of the Stabilization and Association Agreement with the EU and the inclusion in the European Commission project aimed at Modernizing the Payment Systems of the Western Balkan Countries, which is administered by the Regional Cooperation Council and implemented by the World Bank Group, the CBK in cooperation with the World Bank team has prepared and finalized the draft of the Law on Payment Services, which aims to transpose important directives in the field of payments. In this regard, the Executive Board of the CBK established the working group for the harmonization of EU directives for SEPA membership. In this process, 20 regulations of the financial framework of Kosovo have been reviewed / drafted with the requirements of the SEPA payment schemes. Following the adoption of three important financial laws by the Assembly of Kosovo on December 5, 2024 and the adoption of 20 relevant regulations by the CBK on December 17, 2024, the Central Bank of the Republic of Kosovo (CBK) initiated the process of membership in the SEPA payment scheme on December 20, 2024.

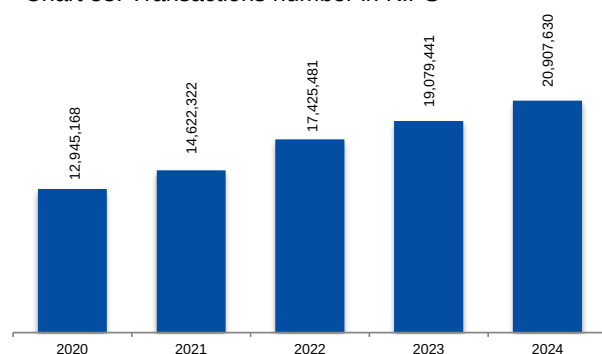
As part of the financial inclusion strategy in Kosovo, the implementation of the Regulation on Access to Payment Accounts with Basic Services has continued, with a focus on ensuring that all citizens, especially underserved populations and vulnerable categories, have access to basic financial services. By the end of 2024, the number of accounts in this category has reached approximately 390 thousand accounts.

Overall, during this reporting period, the interbank payments system has continued to operate with the highest level of stability, security, and efficiency, which has enabled the timely clearing and settlement of all payment and securities transactions.

4.1. Operation of the Interbank Payment System

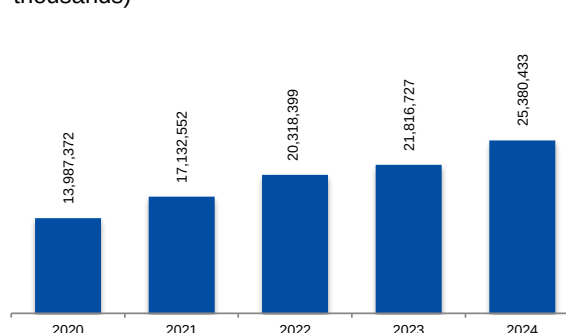
The Kosovo Interbank Payments System-KIPS, a system of systemic importance, which enables the processing of a range of payment instruments, interbank clearing, and the settlement of securities, has continued to function normally and without obstacles. The following Charts present the number and value of transactions carried out through KIPS for the respective periods.

Chart 53. Transactions number in KIPS



Source: CBK (2025)

Chart 54. Value of transactions in KIPS (in thousands)

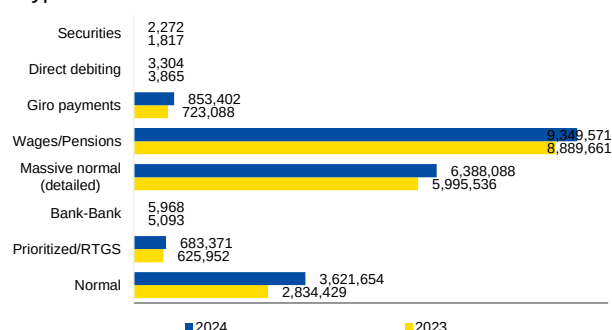


Source: CBK (2025)

Statistical indicators of KIPS activities during 2024 have marked a significant increase in transactions in volume by 9.6 percent and in value by 16.3 percent compared to the previous year, where over 20.9 million transactions with a total value of over 25.3 billion euros were processed (see Charts 53 and 54).

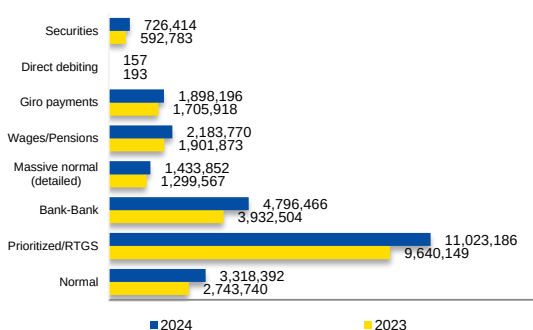
Within KIPS, payments are made through two components: RTGS (Real-Time Gross Settlement) and ACH (Automated Clearing House). In the RTGS component, all payments worth over 10 thousand euros are made in real time, as well as payments ordered with priority by customers. Meanwhile, in the ACH component, all payments with a value below 10 thousand euros are made, including regular-normal payments, mass payments, salaries and pensions, Kos-Giro payments, and Direct Debit. The comparison of the growth trends of the volume and value of these payment categories for certain years is presented in the following Charts.

Chart 55. Annual transaction volume of KIPS, by their type



Source: CBK (2025)

Chart 56. Annual transaction value of KIPS, by their type (in thousands)



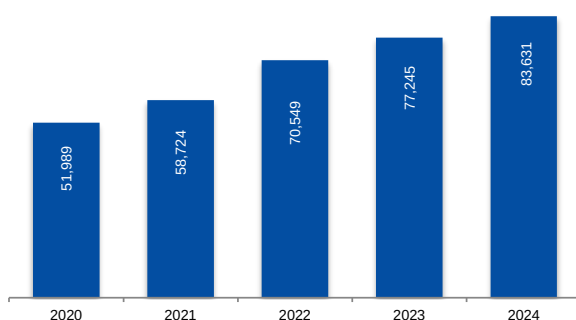
Source: CBK (2025)

This year, regular payments (normal and bulk) accounted for about 47.9 percent of the volume and 18.7 percent of the value of KIPS transactions (see Chart 55). RTGS transactions are processed

and settled during business hours in real time and on a gross basis. During 2024, their number accounted for about 3.3 percent of the total number of transactions in KIPS (see Chart 55), while their value accounted for about 43.4 percent of the value of transactions through KIPS (see Chart 56).

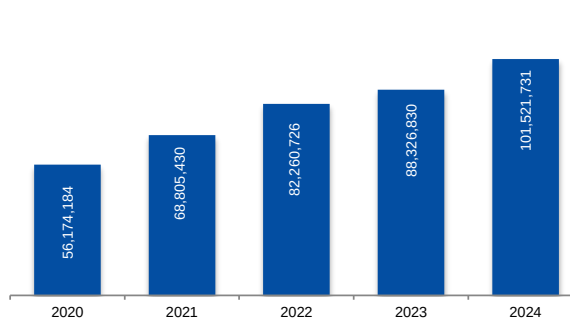
In the category of salary/pension payments, there has been an increase, both in the number and value of transactions. Compared to the previous year, the increase in number is 5.2 percent, while in value of transactions it is 14.8 percent. In addition to the increase in volume and value of transactions compared to the previous year, there is also an increase in the average daily number of transactions processed, both in volume and value, of 8.3 percent and 14.9 percent, respectively (see Charts 57 and 58).

Chart 57. Daily average of transactions number in KIPS



Source: CBK (2025)

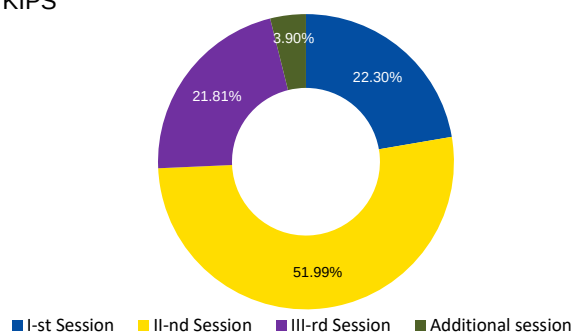
Chart 58. Daily average of transactions value in KIPS



Source: CBK (2025)

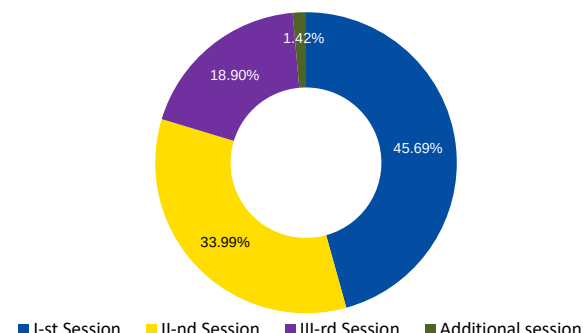
During 2024, the breakdown of payments processed through the ACH component, by session, shows a more pronounced concentration in the first and second clearing sessions, compared to the last session. Avoiding congestion in payment flows during the last clearing session minimizes additional risks within the operation of the payment system, therefore, lower fees are applied to transactions processed in the first two sessions (see Charts 59 and 60).

Chart 59. Number of transactions, by sessions in KIPS



Source: CBK (2025)

Chart 60. Value of transactions, by sessions in KIPS



Source: CBK (2025)

The total value of transactions settled in KIPS during 2024 was close to 25.3 billion euros, including transactions of all KIPS participants, Banks and the Treasury. Of the volume and value of transactions initiated by all institutions participating in the system, the three participants with the largest number of initiated transfers account for 63.4 percent of the total volume, while all other participants account for 36.6 percent. Meanwhile, regarding the value of transfers initiated by all participating institutions, out of their total value of 25.3 billion transactions, the first three institutions participating in the system with the largest value of initiated transfers account for 41.8 percent of the total value, while all other institutions account for 58.2 percent (see Table 21).

Table 21. Concentration indicators for transactions initiated/sent to the SPN

KIPS system	Volume	Value
3 participants in the system	63.4%	41.8%
other participants	36.6%	58.2%
Total:	20,922,580	25,388,015,259

Source: CBK (2025)

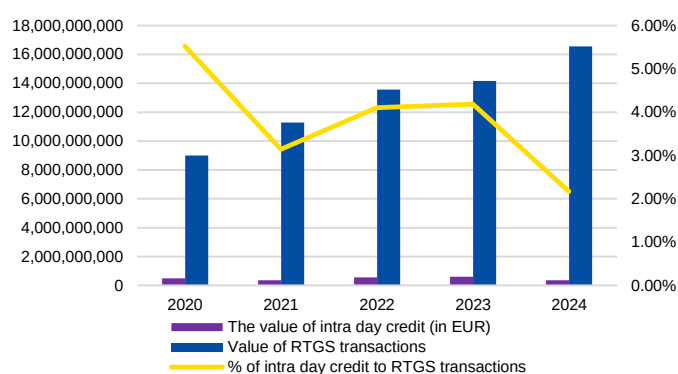
The ratio of the value of the Intraday Loan for Liquidity to the total value of the RTGS system activity for 2024 results at around 2.8 percent (see Chart 61), reflecting a low weight of the need to finance the activity of this system with liquidity from the CBK, consequently, of the system's exposure to liquidity risk.

4.2. Bank Accounts Registry

Within the operational functions of the CBK, the Bank Accounts Registry also plays an important role. This registry represents a database infrastructure, which enables the reporting of bank account data by account data providers (commercial banks), as well as the use of these data in the function of implementing enforcement decisions by enforcement bodies and other competent institutions according to the provisions of the Law on Enforcement Procedure.

This registry has had a significant impact on increasing the efficiency of the processing of enforcement cases by enforcement procedure bodies, especially after the expansion of functions to enable the electronic processing of enforcement decisions.

During the reporting year 2024, 49 private enforcement agents, 124 officials from the Kosovo Judicial Council, and 14 officials from the Kosovo Tax Administration had access to the register, through which they exchanged 24,598 enforcement procedure cases with commercial banks, of which 20,719 were closed (see Table 22).

Chart 61. Intraday credit to total cleared value ratio, settled in RTGS

Source: CBK (2025)

Table 22. Cases processed in the Bank Accounts Registry

Status of cases	2023	2024	Rising/Decreasing (%)
Open	23,159	24,598	6.21%
Closed	18,023	20,719	14.96%

Source: CBK (2025)

4.3. Supervision and analysis of payment systems

Supervision of payment and settlement systems is a function of the CBK, where security and efficiency objectives are promoted by monitoring existing and planned systems, assessing them against objectives and, as necessary, instigating changes.

In order to supervise and develop analysis of payment systems, during 2024 the CBK continued to monitor the payment system through periodic reports received from commercial banks and NBFIs that provide payment and electronic money services.

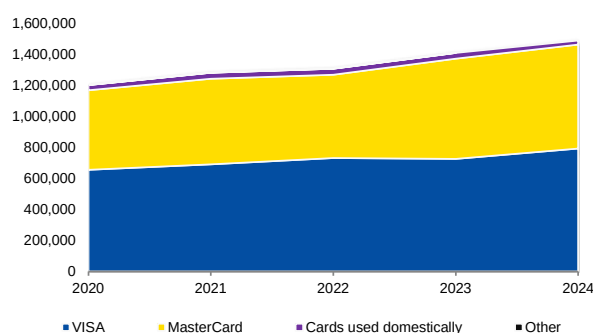
This year, the annual analysis of card usage in Kosovo has been revised. The analysis includes information on the socio-demographic distribution of cards used by Kosovo citizens and the relevant factors that have influenced such distribution. The analysis also provides information on the types of cards and the use of cards in various terminals, including online ones. The annual analysis is published on a regular annual basis on the official website of the CBK.

In the framework of the preparation of periodic analyses and reports on payment statistics, regular annual and monthly reports have been prepared and published regarding; the number and value of interbank payments, commercial bank deposits and reserves, cash and non-cash instruments, as well as the comparative report on electronic payment instruments (Kosovo compared to Central and Southeastern European countries) which are also published on the official website of the CBK.

4.4. Payment instruments and banking infrastructure for payment services

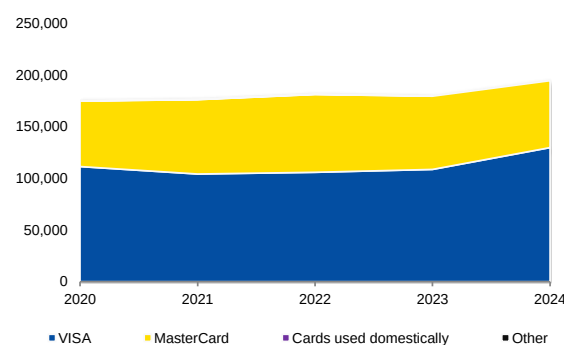
Bank reports on payment instruments show that by the end of December 2024, the number of debit cards reached nearly 1.5 million, while the number of credit cards reached around 195 thousand. Compared to a year ago, the number of debit cards has increased by 5.61 percent, while the number of credit cards has increased by 8.17 percent (see Charts 62 and 63).

Chart 62. Number of debit cards, by their type



Source: CBK (2025)

Chart 63. Number of credit cards, by their type

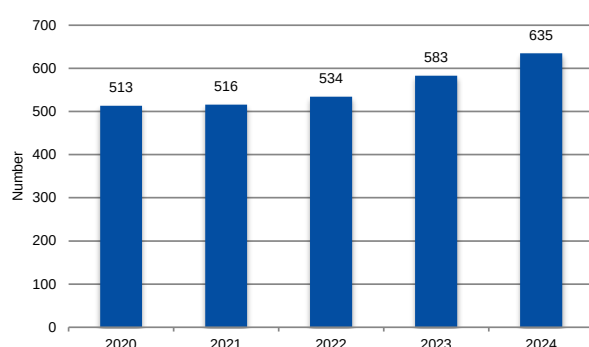


Source: CBK (2025)

The terminal infrastructure has continued to expand, with an increase in the number of ATMs this year compared to the previous year (see Chart 64). A slight increase was also noted in the number of terminals at points of sale (see Chart 65).

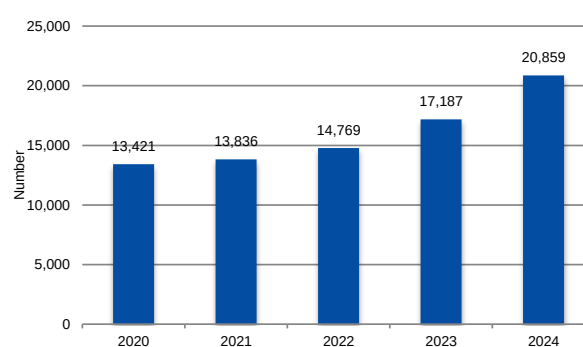
In addition to the increase in the number of terminals and payment instruments, in 2024, statistical data shows that there was an increase in the use of electronic payment instruments. The number of payments made through the internet/e-banking service reached over 11.3 million transactions, which compared to the previous year represents an increase of 16.6 percent, with a value that reached over 24.9 billion euros or an annual increase of 16.3 percent (see Charts 66 and 67).

Chart 64. Number of ATM terminals



Source: CBK (2025)

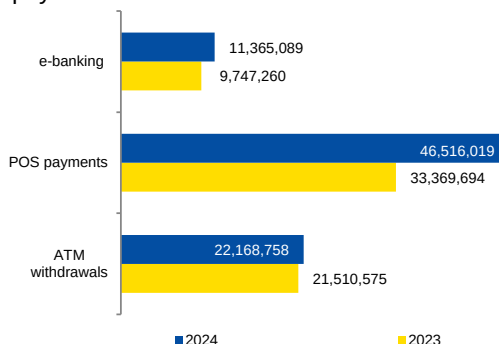
Chart 65. Number of POS terminals



Source: CBK (2025)

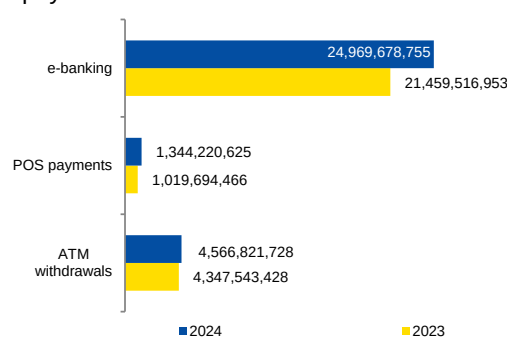
2024 was characterized by an increasing trend in the use of card payments. The number of payments at points of sale/POS increased by 39.4 percent, while the value increased by 31.8 percent compared to the previous year. ATM withdrawals also show an increase in number and value compared to the previous year, with the number of ATM withdrawals increasing by 3.1 percent, while in value by 5 percent (see Charts 66 and 67).

Chart 66. Annual transactions volume of electronic payment instruments



Source: CBK (2025)

Chart 67. Annual transactions value of electronic payment instruments



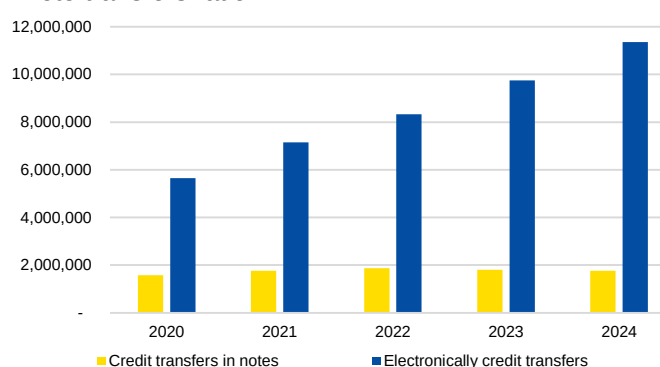
Source: CBK (2025)

The growth of electronic payments over the years is also reflected in the way credit transfers are made. Paper transfers are constantly declining compared to electronic ones.

During 2024, transfers initiated in paper form accounted for 13 percent, while those in electronic form accounted for 87 percent of total transfers initiated through banks (see Chart 68).

Bank reports show that at the end of 2024, the total number of customer bank accounts reached around 2.53 million, representing an increase of 1.1 percent compared to the end of 2023. About 98.3 percent of the accounts belong to residents, while about 1.7 percent belong to non-residents (see Table 23).

Chart 68. Number of electronically credit transfers to note transfers ratio



Source: CBK (2025)

Table 23. Number of accounts

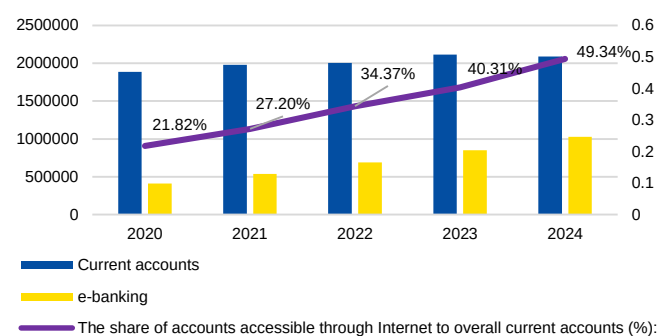
Description of accounts	Total client accounts			Internet accessible accounts		
	2022	2023	2024	2022	2023	2024
Client accounts (1+2)	2,371,544	2,512,575	2,539,345	688,891	851,645	1,030,357
1-Resident accounts (a+b)(%)	98.50%	98.53%	98.34%	98.29%	98.21%	97.93%
a-Individual (%)	91.73%	91.10%	92.34%	89.54%	90.31%	90.83%
b-Business (%)	8.27%	7.43%	7.66%	10.46%	9.69%	9.17%
2-Non-resident accounts (C+ D) (%)	1.50%	1.45%	1.66%	1.71%	1.79%	2.07%
C-Individual (%)	98.95%	99.20%	99.35%	91.55%	84.80%	81.27%
D-Business (%)	1.05%	0.80%	0.65%	8.45%	15.20%	18.73%

Source: CBK (2025) Note: CBK, Banks' reporting according to the Regulation on reporting of instrument statistics.

Of the total accounts, at the end of 2024, over 1 million accounts had "online" access from the internet, which is a 21 percent increase in remote account access.

Chart 69 shows the share of accounts with internet access in the total number of current accounts in recent years. Based on statistical data, the development of infrastructure has continued its upward trend and the rapid trend of increasing the use of electronic payment instruments remains encouraging.

NFIs registered for issuing electronic money reported 79,706 electronic money accounts at the end of 2024, marking a rapid increase based on the fact that this is only the fifth year of their operation in the market (see Table 24). These institutions together processed a volume of 2.1 million electronic money payments, with a value of around 860 million euros (Table 25).

Chart 69. The number of accounts with internet access relative to the total number of current accounts

Source: CBK (2025)

Table 24. Number of electronic money accounts

Description of accounts	2022	2023	2024
E-money accounts	25,164	45,310	79,706

Source: CBK (2025)

Table 25. Number and value of electronic money payments

Description	2022	2023	2024
Number	293,097	1,620,139	2,188,448
Value	70,005,357	617,969,808	860,437,319

Source: CBK (2025)

Promoting the use of electronic money instruments is also considered to have an impact on expanding the financial inclusion of citizens, by enabling access to payment services (opening an electronic money account/payment account, and owning a prepaid card) by categories of the population without access to banking services, such as for categories that are not employed. The implementation of electronic transactions is also considered the main window that can facilitate access to loans and other financial services.

4.5. The role of the CBK as a catalyst for the payments system

The CBK, as a key player in the payments system, has demonstrated unwavering commitment to the modernization and expansion of the payments market. This commitment is evidenced by the implementation of numerous initiatives aimed at improving and reforming the payment infrastructure and services.

At the beginning of the year, the CBK undertook several initiatives that include the reorganization and expansion of the National Payments Council (NPC) as an advisory body to support payments system reforms and enhance security. The meeting brought together an expanded membership of the NPC, including key financial executives, along with the Governor of the Central Bank and the Minister of Finance, Labor and Transfers, representatives from various government institutions (TAK, ARC, ASHI, MINT), international organizations (World Bank, IMF, USAID, EU Office, SECO) and global financial entities such as Visa and MasterCard who contributed to the discussions, reflecting the collaborative and high-level nature of the event.

At the NPC meeting, it was decided to establish a Working Group on Reducing the Use of Cash and Increasing the Use of Electronic Payments. NPC members also agreed to establish other working groups on the development of legal and technical infrastructure in the field of payments, in function of the country's integration processes, the advancement of digital services and the increase of financial inclusion.

In order to achieve the objectives of the 2024-2028 Strategic Plan, related to the field of payments, during this year the CBK has undertaken several important activities, such as:

- The necessary legal framework for the payments sector has been drafted and completed, enabling progress towards SEPA membership. As a result, in December 2024, the CBK officially submitted its pre-application to the European Commission's pre-qualification mechanism, DG FISMA. In this regard, initially after extensive discussion with key stakeholders from financial and government institutions, the Law on Payment Services was finalized, through which three important EU directives for payment services were transposed into local legislation: (i) Payment Services Directive (known as PSD2), (ii) Payment Accounts Directive (known as PAD), and (iii) Electronic Money Institutions Directive (known as EMD2). The adaptation of these directives to the local market is estimated to contribute to promoting competition in the payment services market, increasing transparency and security in the services offered by the market, and creating a consolidated framework for consumer protection. The approximation of payment services market regulation practices with European ones constitutes a fundamental and substantial step towards the integration and implementation of the recommendations arising within the framework of the free movement of capital and services for membership in the SEPA payment scheme.
- The Law on Payment Services paved the way for the drafting and review of 20 bylaws that regulate areas such as: prevention of money laundering and combating the financing of terrorism; information that must accompany transfers of funds; determining criteria for credit and direct debit transactions; own funds and capital, accounting and auditing issues; protection of customer funds; agents from foreign entities; operational and security risks; incident reporting; authentication rules and standards; complaint mechanisms; dispute resolution, as well as other issues related to the field of payment services.
- In the context of other regulatory developments, the CBK has implemented the Regulation on the Structure and Use of the Unique Payment Account Identifier (IBAN) for National and International Transactions, which has enabled the provision of the payment account identification code (known as KIO) also for non-bank financial institutions authorized by the CBK to provide payment services and electronic money.

- The CBK has approved the QR Code Standardization Instruction, with the aim of determining the rules and technical requirements for the development and operation of the QR code structure in the Republic of Kosovo, which will be used for fast payments during retail sales and for bill payments.
- The necessary analyses have been conducted regarding the possibility of implementing the Fast Payment System, and as a result of this, now within the framework of the joint regional project together with several countries in the region, CBK has signed a letter of intent with the Bank of Italy for the implementation of the Fast Payment System -TIPS clone, a project which will be finalized in mid-2026.
- The Regulation on the Register of Accounts has been revised, which aims to improve financial services and create facilities for access to payment accounts with basic services, IBAN-based account reporting also by FIBs, as well as the digitalization of other financial services through interconnection with other state institutions to simplify procedures for account validation and exchange of account reports, through the e-kosova platform.

4.6. Cooperation with other local and international institutions in the field of payments

Within the framework of the project for the modernization of the Western Balkans payment systems, under the leadership of the European Commission, coordination by the Regional Cooperation Council (RCC), and technical support from the World Bank team, very important support has been provided for: finalizing the Law on Payment Services, reviewing the legal framework for AML/CFT, preparing sub-legal acts and preparing the necessary documents to meet the criteria for application in SEPA, as well as selecting the option for implementing the fast payment system.

In addition, the World Bank provided support for the Electronic Payment Adoption Analysis (EPA) in the country, which conducted a comprehensive study to gain deeper insights into how individuals, businesses, and other key stakeholders in Kosovo are using electronic payment systems. This research aims to assess the current state of digital transactions, examining trends in adoption, usage patterns and overall penetration of electronic payment solutions within the economy. More specifically, the study aims to identify and analyze the main factors that influence the acceptance of electronic payments, as well as the barriers that may limit their widespread use. This includes exploring factors such as consumer preferences, business readiness, financial and digital literacy, regulatory frameworks, and the availability of infrastructure that supports electronic transactions.

Furthermore, the study will assess the broader challenges faced by various market participants, including financial institutions, payment service providers, merchants and consumers. These challenges may include issues related to transaction costs, security concerns, interoperability between payment systems, and access to digital financial services, especially for underserved populations.

During this year, in addition to communication and cooperation with individual countries on issues in the field of payments, the CBK has joined the European Association of Payments Clearing Houses - EACHA.

EACHA membership represents an important step, considering the ongoing projects and reforms related to the digitalization of payment services. This membership offers an opportunity to learn from the experiences and knowledge of other countries on the process of joining the EU payment systems infrastructure. It will also facilitate the process of identifying and adopting a solution for processing fast payments in the Republic of Kosovo and will facilitate the access of banks and other payment service providers to clearing houses in Europe, supporting the strategic goal of the CBK

for the modernization of payment systems and integration into SEPA. This platform will assist the CBK but also payment service providers in adapting EU standards and preparing the market for integration with EU payment schemes and systems. It will also enable the CBK to be closely involved in new initiatives and developments in the EU, to support the advancement of the payments market in the Republic of Kosovo.

At the local level, among other things, a special space was also dedicated to the role of financial education in promoting financial inclusion as well as the cooperation of working groups within the framework of the functions and responsibilities of the National Payments Council.

5. Financial Education and Consumer Protection

5.1. Financial Education and Promoting Access to Finance

During 2024, the CBK has undertaken a significant number of educational and information initiatives, in line with international transparency standards and its institutional strategic objectives.

Financial education remains one of the key priorities of the CBK, and the main focus of the engagements within the framework of financial education during the year has been to contribute to increasing knowledge about financial education, consumer protection and improving access to finance.

In order to achieve these objectives, awareness-raising activities, educational projects and informational materials have been carried out, in addition to implementing collaborations with local and international institutions.

Within the framework of education initiatives and activities, the CBK's focus is concentrated on key aspects, such as:

- Increasing awareness and understanding of the role of the Central Bank of the Republic of Kosovo, by informing the public about its functions, responsibilities and impact on the country's financial stability, and
- Encouraging and contributing to the creation, development and advancement of financial knowledge, helping citizens make informed decisions and better manage their personal finances.

During 2024, the CBK has developed educational and informative activities with the aim of increasing public awareness on the functioning of the economic and financial sector. Through various initiatives, information, data, advice and guidance have been distributed, contributing to citizens advancing their financial knowledge and gaining new insights into this field.

Among the main initiatives implemented this year are the following:

- **Development of the Platform for Comparison of Financial Products and Services** - developed within the framework of financial education, to be used by consumers for information and comparison of fees and rates of products and services provided by financial institutions. The platform is a web application developed for use by consumers for the purpose of information and comparison of interest rates and fees of the most used products and services offered by financial institutions. The purpose of building the Platform is to contribute to increasing transparency, consumer protection, financial education and advancing access to finance. The Platform is supplemented with data from banking institutions and is in the process of being completed with data from other institutions, such as: Microfinance Institutions, Non-banking Financial Institutions as well as data from Insurance Companies and is expected to be finalized during 2025.
- **International Money Week 2024, (18-22 March 2024)** is an international awareness campaign organized annually by OECD/INFE (Organization for Economic Co-operation and Development/International Network for Financial Education) and aims to promote financial education among children and young people, helping them at an early age to develop the knowledge, skills, attitudes and behaviors necessary to make sound financial decisions. Over 170 countries from all over the world participate in this campaign, through educational and awareness-raising activities. As part of its strategic commitment to financial education, the

CBK regularly marks this week with activities dedicated to students, young people and relevant stakeholders at the national level.

The activities organized this year were the following:

- Signing of the MoU with the KBA, AMIK and BKS for the establishment of the Committee for Financial Education;
- Signing of the MoU with the Faculty of Economics for cooperation between the two institutions;
- Announcement of the annual “Young Economist” award, which the CBK awards every year with the aim of promoting scientific research in the field of economics and finance, where all young researchers (students) are invited to apply with their scientific papers;
- Educational activity at the “Ismail Qemali” Lower Secondary School in Prishtina,
- Lecture with UBT College Students;
- Lecture at the “Abdyl Ramaj” Vocational Education and Training Institution in Suhareka;
- Conference co-organized by CBK and AMIK on the topic “Access to Finance for Women Entrepreneurs”. The event was organized with the aim of promoting financial inclusion and economic empowerment of women, and brought together representatives from the public and private sectors, financial institutions, donors and women entrepreneurs, serving as a platform for discussing the challenges and opportunities in supporting women-led businesses. Among the main topics addressed were access to finance, financial training and the need for institutional networking. About 100 participants attended this event.
- **June 1 - International Children's Day** – to mark this day, educational activities were organized with students of the “Xhemal Mustafa” Lower Secondary School in Prishtina, and with students of the “Abdyl Ramaj” High School in Suhareka, respectively students of the Banking and Insurance department. In these activities, students were informed about how the financial system in Kosovo works, how to recognize the importance of proper money management, the importance of saving, and how to manage their budget and personal finances.
- **World Savings Day (100th anniversary)** – In the framework of marking this day on October 31, 2024, activities were held with students of the “Thimi Mitko” Primary School in Gjilan, where about 140 students participated, with whom an educational activity adapted for children of the lower cycle was held. The CBK's activities in the framework of marking World Savings Day continued in cooperation with the German Sparkassenstiftung for International Cooperation, with other youth groups, where educational and informative activities were carried out with students of RIT Kosovo (A.U.K.) and students of AAB College.
- **Educational and informative materials** for the public - in the form of brochures, videos and infographics, which have been distributed in the form of brochures during various activities, as well as promoted through all official CBK communication channels, including social networks.

Educational activities - during 2024, a considerable number of activities were also carried out with primary and secondary school students, in which about 400 students participated;

Lectures with Students from Private Universities and Colleges, UP, AAB, UBT, AUK, attended by around 300 students;

1180 educational materials, educational and informational brochures and leaflets have been distributed.

5.2. Consumer protection

In order to protect consumer interests as an important responsibility for the Central Bank of the Republic of Kosovo (CBK), continuous development of the regulatory and supervisory framework of market practices and continuous handling of complaints of financial services users is required.

Market conduct supervision plays a key role in maintaining the stability and reliability of financial markets, strengthening trust among participants and protecting the interests of consumers. It is a continuous process that requires vigilance, adaptability and close cooperation between regulatory authorities and market participants.

Financial institutions are increasingly integrating artificial intelligence and machine learning into their financial product and service delivery processes. For this reason, market conduct supervision plays a key role in maintaining the stability and reliability of the financial system, as well as ensuring that consumers are protected and informed in a fair and transparent manner.

The protection of consumer interests is achieved through the continuous development of the regulatory and supervisory framework, the CBK ensures that financial institutions implement best market practices. Supervision is carried out through on-site examinations and remote monitoring, with a particular focus on transparency and the clear provision of financial services and products. Another important aspect is the handling of complaints from financial service users, which are made against financial institutions supervised by the CBK.

During 2024, the amendment to the Regulation on the process of handling complaints by financial institutions was approved. This regulation sets out clear criteria and procedures for the establishment of an internal function for handling and managing customer complaints by financial institutions. The regulation also includes requirements for reporting complaints by financial institutions and provides for the use of alternative dispute resolution mechanisms.

Also, during 2024, the Internal Rule for Handling Complaints of Financial Services Users was completed, which sets out the criteria for handling all complaints submitted to the CBK by clients or third parties against financial institutions licensed, registered and supervised by the CBK.

Number of complaints over the years

During 2024, the CBK received and handled a total of 927 complaints from users of financial services (natural and legal persons). Accordingly, complaints by categories of financial institutions are listed as in the following:

- Banks: The number of complaints handled against banks was 537 complaints, while the most frequent complaints were related to credit products (loans), bank account management and debit and credit card products.
- Microfinance Institutions (MFIs): The number of complaints handled against MFIs was 37, while the most frequent complaints were related to the loan product.
- Non-Banking Financial Institutions (NBFIs): The number of complaints handled against NBFIs was 31, while the most frequent complaints were related to the loan product and the management of digital services through cards.
- Insurance Companies/Insurance Intermediaries: The number of complaints handled against insurance companies was 322 complaints, while the most frequent complaints were related to health insurance, auto liability insurance (including Casco insurance) and the Letter of Credit/Guarantee product.

Of the total complaints received for 2024, 847 complaints were filed by natural persons, while 80 complaints were filed by legal entities.

Based on the following table:

- Compared to 2023, the number of complaints in 2024 increased by 17.0%.
- Compared to 2022, the number of complaints in 2024 increased by 6.2%.

Table 26. Number of complaints over the years

Financial institutions	Number of complaints over the years				
	2022	2023	% Change	2024	% Change
Commercial banks	518	448	-13.5%	537	19.9%
Microfinance Institutions	54	54	0.0%	37	-31.5%
Non-Banking Financial Institutions	29	27	-6.9%	31	14.8%
Insurance companies	262	246	-6.1%	321	30.5%
Insurance Brokers	0	0	n/a	1	n/a
Pension funds	0	1	n/a	0	n/a
Total	873	792	-9.3%	927	17.0%

Source: CBK (2025)

The table above shows that the number of complaints handled in 2024 has increased compared to the previous two years. Although the increase is a small percentage compared to the previous year, it reflects an increase in consumer awareness to address their concerns, using various alternative dispute resolution mechanisms.

Complaints by reception channel

Regarding the manner of receiving complaints, based on the requirements of the Internal Rules for Handling Complaints, the submission of complaints to the CBK is done mainly through the platform/system for submitting and managing complaints, the link to which is published on the official website of the CBK.

Table 27. Number of complaints by channel of receipt

Complaints reception channel	Number of complaints	Participation in %
Online system	661	71.3%
In person at the CBK	224	24.2%
MIET	33	3.6%
Email	9	1.0%
Total	927	100.0%

Source: CBK (2025)

In addition, complaints can also be submitted through:

- Electronic Mail, by sending it to the official electronic mail address of the CBK,
- Personal delivery to the CBK archive office,
- The Department of Consumer Protection, for complaints referred according to the agreement between the CBK and the Ministry of Industry, Entrepreneurship and Trade (MIET).

Number of complaints by status

Of the total number of complaints handled by financial service users during 2024, about 23% of them were considered "founded" and were resolved in favor of the complaining parties. While the rest of the complaints included the following:

- Complaints that are unfounded or unsupported by additional evidence, as well as
- Complaints that have been instructed to initially exercise the right to appeal to the financial institutions, in accordance with the relevant rule for handling complaints.

Table 28. Number of complaints by status

Financial institutions	Total complaints	Based	Unfounded
Commercial banks	537	115	422
Microfinance Institutions	37	7	30
Non-Banking Financial Institutions	31	10	21
Insurance companies	321	87	234
Insurance Brokers	1	0	1
Pension funds	0	0	0
Total	927	219	708

Source: CBK (2025)

6. Activities in the field of Statistics

Based on Article 25 of the Law on the CBK, the CBK, in order to fulfill its objectives, collects, compiles and publishes statistics and other necessary information. The CBK is the main producer and user of financial statistics of the Republic of Kosovo and one of the main sources of statistics at the national level. Within its legal mandate, the CBK compiles and publishes statistics on the monetary, financial, financial accounts and external sectors. The compilation of these statistics follows the methodology recommended by the IMF, ECB, WB, Eurostat, and best practices of other countries.

For the purposes of compiling statistics, reporting entities in the CBK, in the Department of Statistics (DS) are natural and legal persons, including financial institutions (commercial banks, pension funds, insurers, other financial intermediaries, and financial auxiliaries), foreign-owned enterprises, Kosovo Customs, government institutions, non-financial corporations, households and non-profit organizations. In accordance with the legislation in force, the CBK respects the confidentiality of individual data it provides from various reporting entities, which it uses only for the purposes of compiling statistics. The information provided by the reporters is necessary to compile monetary and financial statistics, external sector statistics and financial accounts within the framework of the CBK's legal responsibilities stemming from Law No. 03/L209 on CBK and Law No. 04/L-036 on Official Statistics of the Republic of Kosovo.

The publication of statistics is carried out according to the deadline previously published on the CBK website, and in various formats, such as: time series, Monthly Statistical Bulletin, Annual Report, National Data Summary Page, IMF, Eurostat, WB, CEFTA, etc. Statistics under the responsibility of the CBK are prepared and distributed upon request for the needs of organizational units within the CBK, as well as for external users, such as: government institutions, media, international organizations, universities and the general public.

During 2024, the CBK continued to compile and publish statistics within its scope of activity regularly, in accordance with the official publication calendar. Monetary and financial statistics, covering subsectors such as the central bank, commercial banks, insurance companies, pension funds, financial intermediaries and auxiliaries, as well as external sector statistics, including the balance of payments, international investment position and external debt, are regularly published on the CBK website and on the platforms of international organizations. The financial accounts statistics module has continued to be published regularly on a quarterly basis in time series on the CBK website for the financial sector and the external sector. However, there are three other sectors of the economy not covered, for which data sources should be provided in cooperation with other relevant institutions in the country. In this regard, in order to determine the division of institutional responsibilities, as well as cooperation mechanisms for the preparation of financial accounts and other economic and financial statistics, a Memorandum of Cooperation was signed between the CBK, KAS, and MFLT in August 2024.

The CBK, in its capacity as the country coordinator, on behalf of the institutions of the Republic of Kosovo, submitted to the IMF the commitment to subscribe to the SDDS standard in August 2024. Kosovo is currently a member of the e-GDDS standard. The transition from e-GDDS (Enhanced General Data Dissemination System) to SDDS (Special Data Dissemination Standard), for Kosovo, means a significant advancement in the level of transparency and quality of economic and financial statistics published by the Kosovo Agency of Statistics, the Central Bank of the Republic of Kosovo and the Ministry of Finance, Labor and Transfers. This advancement means: increasing data publication standards, expanding data coverage, creating a dedicated page for data dissemination (National Summary Data Page - NSDP), improving reliability and transparency, increasing opportunities for investment and international economic integration, etc. Due to its importance,

the transition from e-GDDS to SDDS is a strategic step for Kosovo, which positions the country closer to international standards of free market and financial transparency. This process requires a major institutional commitment from the country, but the long-term benefits will be very important for the economic development of Kosovo.

In June 2024, this important step was preceded by the organization, for the first time in Pristina, of a regional workshop by the IMF in cooperation with the CBK, dedicated specifically for this purpose, in which Albania and Montenegro participated. By the end of 2024, within the framework of the additional obligations for the CBK imposed by this standard, a significant part of them have been fulfilled; DS has compiled the consolidated report on international reserves and foreign exchange liquidity, the methodology of this report, has extended the deadline for the receipt and preparation of CBK statistics, etc.

During 2024, the CBK continued the further alignment of statistics under its responsibility with the European Union standards set by the European System of National and Regional Accounts (ESA 2010). On a regular monthly basis, statistics on interest rates on deposits are reported to the European Central Bank (ECB), while on a quarterly basis, statistics on the Balance of Payments and International Investment Position are reported to Eurostat, and on an annual basis, statistics on direct investment and international trade in services.

Within the framework of the IPA 2022 Program, the CBK this year has started the implementation of the project "1.9 Foreign Direct Investments". Over the next two years, within the framework of this project, the DS is expected to increase the range of publications with four new datasets in Eurostat. As part of this process, in September 2024, the CBK benefited from a three-day technical assistance from Eurostat. Within the framework of the agreements with the Government of Kosovo and the IMF, the Stand-By Arrangement (SBA), and the Resilience and Sustainability Facility (RSF) Agreement, DS has continued to prepare and submit to the IMF reports on financial health indicators and other financial sector statistics.

During 2024, DS organized a regular survey project with non-residents visiting Kosovo. This survey was conducted for the first time twice a year, during the holiday period: once during the summer holiday season and for the first time in the winter season. The survey was conducted using an advanced system borrowed from the World Bank, which has enabled increased efficiency in data collection and improved data quality. The collected data were used to calculate estimates of emigrant spending in Kosovo, which have a significant impact on travel services statistics and several other categories related to the impact of emigrants in Kosovo, such as remittances, direct investments, etc. During this year, in collaboration with the Department of Information Technology and Security, work has been done on the development of an online platform for reporting surveys on direct investments and investments in securities. This platform will help automate work processes, increasing the efficiency and productivity of daily tasks, especially in the acceptance and validation of reports. With the finalization of this program, expected during 2025, it is intended to increase functionality, effectiveness, and data protection. In addition, this year, the CBK has also been engaged in increasing the level of quality and consistency of data produced according to the standards and methodology recommended by Eurostat and the IMF, updating the methodology published on the CBK website, publishing new tables, reducing the frequency of publication of statistical indicators, advancing the methods of processing and validating statistical reports, maintaining the "Kosovo Economy at a Glance" website, compiling and publishing late payment interest on commercial transactions and credit instruments, compiling and reporting financial health indicators, and publishing summarized explanations about the main developments in economic and financial indicators published on the CBK website for transparency and more accurate public information.

7. Reserve Management and Banking Operations

7.1. Asset and Reserve Management

The Central Bank of Kosovo manages its assets and reserves and is responsible for the administration of the Central Depository System, enabling the execution of auctions and trading of Government Securities of Kosovo.

The tasks of reserve management are specified in the Law on the Central Bank of the Republic of Kosovo, respectively in Article 15 of Law No. 03/L-209.

7.1.1. Investment Management

The Central Bank manages its reserves to achieve the objectives of the Investment Policy approved by the Executive Board, where the safety and liquidity of assets are prioritized, before the return on investments. During 2024, cooperation agreements for the management of international reserves were finalized with three partner central banks: The Bank of Italy, the National Bank of Belgium and the Bank of Croatia. These agreements represent an important step towards expanding the network of strategic partners and further diversifying the investment portfolio.

At the same time, close cooperation with the World Bank Treasury Department (RAMP) has continued, with a focus on further advancing investment policies. This cooperation aims to increase institutional capacities for reserve management in accordance with international standards and further develop the framework of investment policies and operational practices.

7.1.2 Instruments

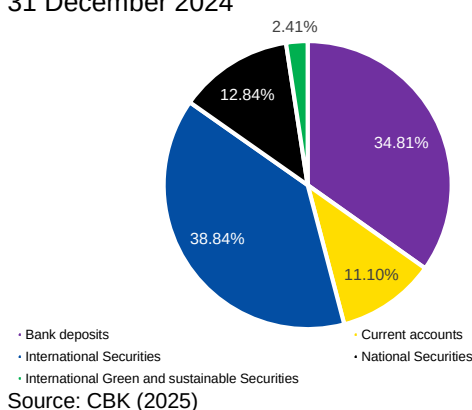
Reserves in the CBK portfolio consist of portfolio instruments that are classified as liquid and investment grade. The liquid reserves category consists of instruments that are maintained to provide sufficient funds for the execution of payments and transfers according to the needs of the CBK and its depositors. While the investment assets category consists of safe financial instruments, with investment credit rating that are also easily tradable.

To ensure the sufficiency of liquid funds for the execution of international transfers of CBK depositors, the funds in the current account are maintained to realize the short-term obligations of the CBK which for the reporting period constitute the level of 11.1 percent of the portfolio.

The CBK's euro reserves portfolio by instrument is shown in Chart 70, based on the status as of December 31, 2024. According to this Chart, 38.84 percent of the portfolio is invested in International Securities, 2.41 percent in Green and Sustainability Securities, and 12.84 percent in securities issued by the Government of the Republic of Kosovo. The placement in bank deposits in order to ensure adequate distribution according to short-term instruments is 34.81 percent.

The CBK reserve investment portfolio in all currencies consists of the following financial instruments:

Chart 70. Portfolio of the CBK reserves (EUR), as of 31 December 2024



- term bank deposits placed with European banks with adequate investment grade, short-term repurchase agreements placed with local banks and the US Federal Reserve;
- International Securities, namely government, municipal, supranational, state agency or credit institution bonds in euros and dollars with a maturity of up to seven years;
- government bonds issued by the Government of the Republic of Kosovo traded in the secondary securities market with a maturity of up to seven years.

Short-term repurchase agreements (Repo) with local banks of the Republic of Kosovo have continued to be placed throughout 2024 and constitute an important instrument of the local money market. Through this instrument, the CBK offers rapid liquidity to local banks in case of need for a period of one to ten days against collateral, namely Securities of the Republic of Kosovo. This instrument also helps government bonds to be treated as more liquid instruments by offering their holders easy access to financing through collateral.

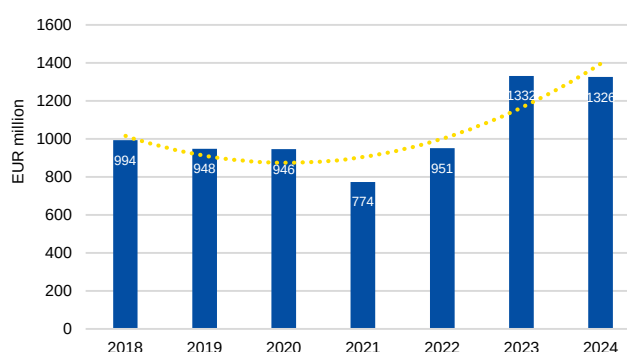
During 2024, the CBK continued to be part of the credit line provided by the Eurosystem through the Deutsche Bundesbank. Through this credit line, the European Central Bank has offered the Central Bank of the Republic of Kosovo the opportunity to borrow from the Eurosystem liquidity package against adequate collateral in euros consisting of marketable debt securities issued by euro area central governments and supranational institutions. This credit line addresses the potential liquidity needs in euros of the CBK in case of eventual demands, enabling it to borrow up to 100 million euros from the European Central Bank. The credit line will remain in force until 31 January 2027, with the possibility of extending the term.

7.1.3 Currencies

The currency composition of the CBK reserve portfolio consists of euros and US dollars. As depicted in Chart 71, the available euro reserves in the CBK portfolio have marked a marginal decrease to 1,326 million euros in 2024 from 1,332 million euros in the previous year, due to movements of CBK depositors' funds.

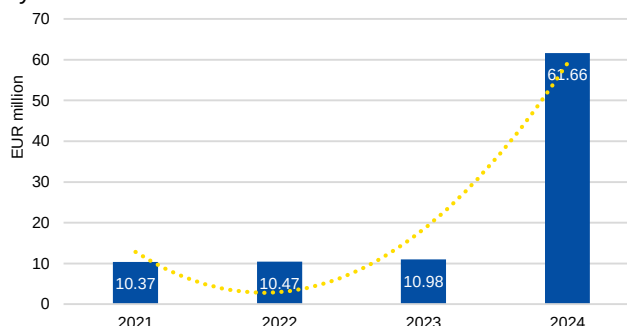
About 4.5 percent of the reserves portfolio is held in US dollars, invested in overnight placements at the interest rate quoted by repurchase agreements with the US Federal Reserve Bank, time deposits and short-term securities issued and paid by the US Treasury with a maturity of up to one year under the Automatic Investment Program with the Federal Reserve Bank. In 2024, US dollar reserves have increased significantly, mainly as a result of increased exposure to the US dollar through additional purchases of Treasury bills. As a result, Chart 72 shows an increase from US\$10.98 million in 2023 to US\$61.66 million in 2024. The

Chart 71. The ending balance of funds invested by the CBK in EUR (mil), as of 31 December of the respective year



Source: CBK (2025)

Chart 72. The ending balance of funds invested by the CBK in USD (mil), as of 31 December of the respective year



Source: CBK (2025)

distribution of assets in the two respective currencies is based on the content of the CBK reserves by its depositors, which are mainly held in the euro currency.

7.1.4 Distribution

In accordance with the objectives of the CBK Investment Policy, the investment placement of reserves is focused on safe and liquid financial instruments, namely debt instruments or bonds with a maximum maturity of up to seven years and an adequate credit rating.

During 2024, the portfolio allocation was carried out with a focus on the category of liquid, easily convertible and developed market assets, such as securities such as treasury bills and bonds. Consequently, 41.3 percent of the portfolio is invested in international securities, which represent the main liquid instruments with the highest participation in the CBK portfolio. National Securities account for 12.8 percent of the portfolio, while bank deposits account for 34.8 percent, and funds held in current accounts account for 11.1 percent, as reflected in Chart 73.

In the securities portfolio, special importance is given to geographical distribution, distribution by issuer and the condition that these securities are recognized as acceptable collateral by the European Central Bank.

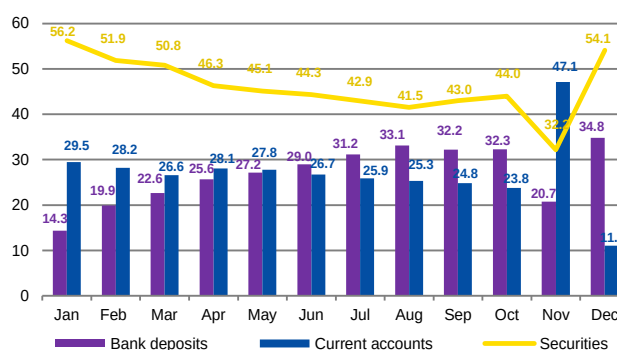
Recent changes in interest rates by the European Central Bank and the US Federal Reserve have affected interbank and debt market rates. These developments have enabled the portfolio to be positioned in instruments with returns in line with the Eurosystem and the US Federal Reserve market rates.

As in the previous year, the allocation of the CBK's portfolio in Securities was determined by market conditions and prices for government, supranational, agency and credit institution bonds issued and paid in euros.

The deposit rate in the interbank market in euros is based on the rate set by the European Central Bank for deposits, which during 2024 ranged from 4 percent in January to the latest reduction to 3 percent in December 2024¹⁰.

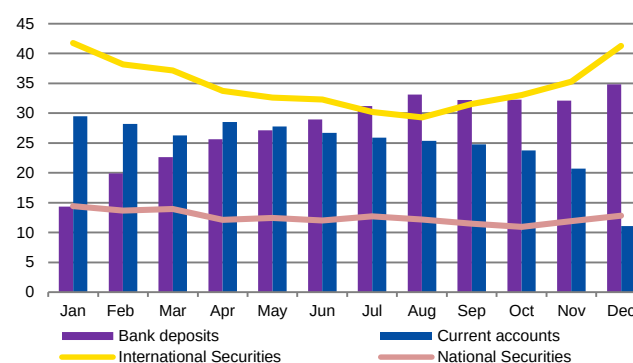
In 2024, the distribution in International Securities has increased compared to the previous year, as seen in Chart 75. The main change in the portfolio distribution structure is seen in bank deposits, where this asset category has marked a significant increase at the beginning of the year, as a result of the increase in the deposit rate by the European Central Bank and the opportunities

Chart 73. Distribution ratio of the CBK investment portfolio in EUR (in percent)



Source: CBK (2025)

Chart 74. Distribution ratio of the CBK investment portfolio in EUR (in percent)



Source: CBK (2025)

¹⁰ https://www.ecb.europa.eu/stats/policy_and_exchange_rates/key_ecb_interest_rates/html/index.en.html

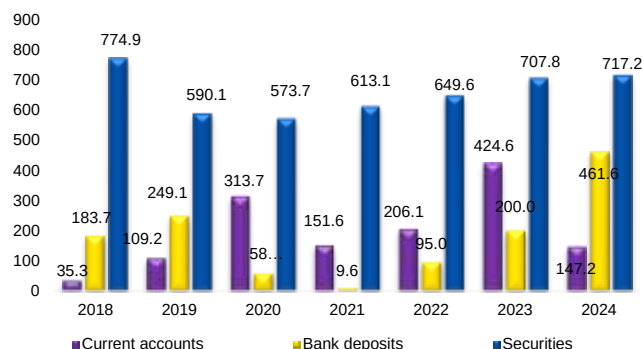
for placements in the interbank market of the Central and Commercial banks of the Eurosystem. This distribution enables the CBK to maintain sufficient liquidity in its reserve portfolio, while contributing to maintaining the security of the portfolio and achieving investment returns from this asset category.

7.1.5. Portfolio performance

The instruments in the CBK portfolio have shown high performance by generating 27.74 million euros in net

income from all investment categories in all asset categories of the portfolio, including the difference between income and expenses from the rates applied to deposit accounts. This value represents an increase of 8.4 percent in income earned compared to the previous year.

Chart 75. Distribution of portfolio investment, as at end of the year (In millions of euro)



Source: CBK (2025)

7.1.6. Risk management in investment of reserves

The funds are invested in securities issued by states, the most credible agencies of the euro area, and supranational institutions with investment credit ratings according to assessments by international credit agencies: Standard & Poor's and Moody's, as well as in securities of the Republic of Kosovo.

The financial risks when investing funds by the CBK are: credit risk, interest rate risk, liquidity risk, currency risk and operational risk.

Credit risk - The investment portfolio is distributed in such a way as to keep credit risk at a low level. All investments have been made in accordance with the short-term and long-term credit rating criteria set out in the Investment Policy: P-2/A-2 (Moody's/S&P) for the short term and Baa2/BBB (Moody's/S&P) for the long term, as well as in exceptional cases in the market, with P-3/A-3 for the short term and Baa3/BBB- (Moody's/S&P) for the long term.

Interest rate risk - the management of interest rate risk by the CBK against the limit of interest rate changes is completed by monitoring the sensitivity of the CBK's assets and liabilities to various standard and non-standard interest rate scenarios.

Liquidity risk - is the risk in the timely fulfillment of obligations from its financial liabilities. The CBK's approach to liquidity management is to ensure sufficient liquidity to meet its obligations on time, both under normal and adverse conditions, without incurring unacceptable losses or risking damage to the CBK's reputation.

Currency risk - occurs as a result of exchange rate movements that affect the value of currencies in the financial market where a return or loss may occur as a result of exchange rate changes.

Operational risk - is the fulfillment risk related to the placement of deposits, trading of securities and their timely payment.

7.1.7 Kosovo Government Securities

In accordance with the Law on Public Debt, the CBK acts as a fiscal agent for the Ministry of Finance, Labor and Transfers in the process of issuing Securities of the Government of the Republic of Kosovo, by conducting organized auctions.

According to the annual calendar of Securities issuances published by the Treasury of Kosovo within the Ministry of Finance, Labor and Transfers, during 2024, a total of 16 auctions were held for the issuance of Securities with a maturity of 1 to 10 years.

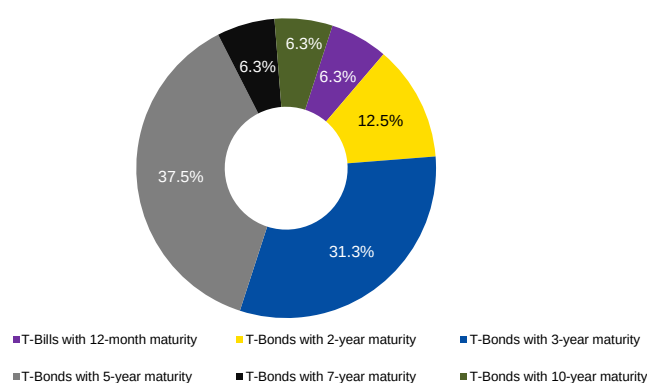
Chart 76 presents the maturity structure of Securities issued in the primary market, expressed in percentages, where issues with 5-years and 3-years maturities dominate. Chart 77 presents funds invested in the primary market by investor category. ¹¹

Chart 78 shows the average annual rates of return on investment by maturity, which shows an increase compared to the previous year. Meanwhile, Chart 79 shows the successfully completed auctions, where it can be seen that the greatest demand from the market was for Securities with a maturity of 2 to 5 years.

The total volume ¹² of Securities purchases and sales between participants in the secondary market during 2024 was 77.6 million euros, which compared to the previous year's volume of 68.6 million euros, marked an increase of 13.2 percent.

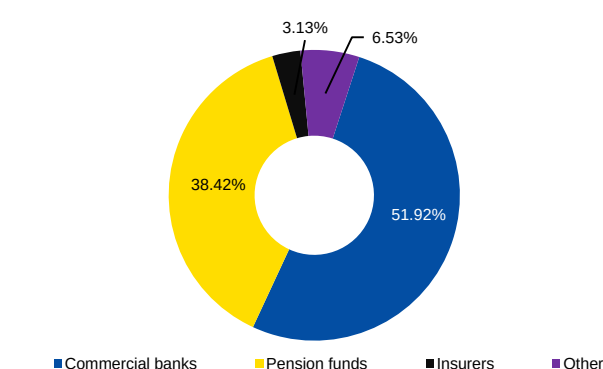
Meanwhile, for the purposes of short-term lending backed by Government Securities collateral, the total volume of Securities repurchases transactions during the year amounted to 64.0 million euros, compared to the previous year's volume of 67.6 million euros, marking a decrease of 5.2 percent.

Chart 76. Structure of securities by maturity



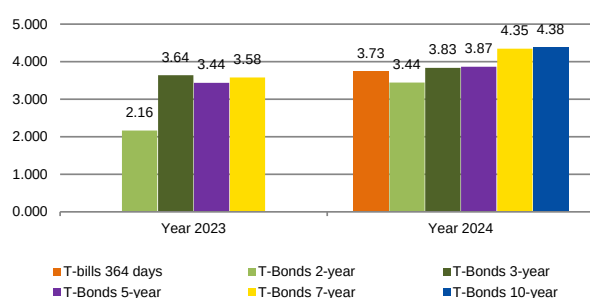
Source: CBK (2025)

Chart 77. Structure of investors in Securities auctions



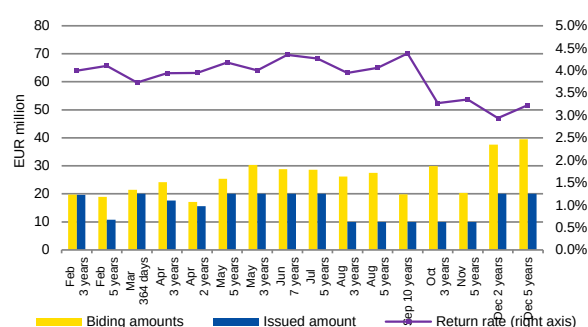
Source: CBK (2025)

Chart 78. Annual average interest rate returns for 2023 and 2024



Source: CBK (2025)

Chart 79. Auctions of Government Securities, in 2024



Source: CBK (2025)

In order to manage the most efficient provision of liquidity by the CBK to the banking sector based

¹¹ Participants in the primary market for Government Securities are commercial banks, pension funds, insurers, as well as legal and natural persons acting through commercial banks.

¹² Participants in the secondary market for Government Securities were pension funds, commercial banks, individuals acting through commercial banks, and public institutions.

on intraday lending backed by Securities collateral, the volume of requests from the banking sector totaled 358.3 million. Compared to the previous year's volume of 592.5 million euros, it marked a decrease of 39.5 percent.

7.2. Cash operations and management

The CBK, within the framework of cash management operations, ensures the supply of the local economy with the appropriate quantity and quality of euro banknotes and coins. To fulfill this function, the CBK maintains and administers foreign exchange reserves, regulates and sets standards for Financial Institutions in the field of cash operations related to the control and recirculation of banknotes and coins, as well as the obligation to withdraw from circulation money suspected of being counterfeit and unfit for recirculation, including the criteria for the exchange of damaged money.

During 2024, the CBK successfully fulfilled the function of supplying the local economy with the appropriate quantity and quality of euro banknotes and coins.

Table 29. Amount and volume of general cash operations activities

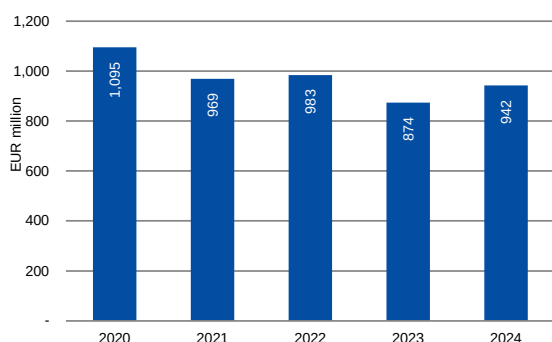
Types of operations	2020	2021	2022	2023	2024
Annual growth of operational amount with banknotes	-12.17%	29.31%	28.18%	12.59%	2.64%
Amount of operations with banknotes (EUR)	3,143,483,655	4,064,682,790	5,210,009,170	5,865,873,880	6,020,805,090
Receipts of banknotes	1,449,545,855	2,087,439,200	2,499,965,400	2,735,521,340	2,988,237,500
Supply with banknotes	1,093,937,800	967,243,590	981,543,770	871,352,540	937,567,590
Export of banknotes	475,000,000	950,000,000	1,700,000,000	2,215,000,000	2,075,000,000
Import of banknotes	125,000,000	60,000,000	28,500,000	44,000,000	20,000,000
Annual growth of operational volume with banknotes	5.17%	18.98%	21.51%	12.76%	5.08%
Volume of operations with banknotes (in pieces)	68,618,553	81,643,508	99,201,043	111,862,413	117,541,912
Receipts of banknotes	29,268,128	40,173,242	45,151,268	49,980,419	54,605,837
Supply with banknotes	25,258,425	19,627,266	19,016,775	19,159,994	20,669,075
Export of banknotes	9,672,000	18,128,000	32,333,000	38,072,000	38,267,000
Import of banknotes	4,420,000	3,715,000	2,700,000	4,650,000	4,000,000
Annual growth of operational amount with coins	-33.87%	-5.80%	28.59%	385.59%	52.27%
Amount of operations with coins (EUR)	2,408,470	2,268,716	2,917,422	14,166,836	21,572,088
Receipts of coins	0	290,000	180,362	20,000	7,993,818
Supply with coins	1,045,470	1,367,716	1,616,060	2,414,836	4,578,270
Export of coins	0	0	0	0	9,000,000
Import of coins	1,363,000	611,000	1,121,000	11,732,000	0
Annual growth of operational volume with coins	-46.71%	47.18%	58.47%	67.35%	-44.92%
Volume of operations with coins (in pieces)	9,379,000	13,803,957	21,874,635	36,606,123	20,162,029
Receipts of coins	0	160,500	180,185	20,000	5,129,209
Supply with coins	5,379,000	7,743,457	10,544,450	12,786,123	10,132,820
Export of coins	0	0	0	0	4,900,000
Import of coins	4,000,000	5,900,000	11,150,000	23,800,000	0

Source: CBK (2025)

Compared to the previous year, during 2024, overall banknote operations activities recorded a group increase of 2.64 percent (expressed in value) and a group increase of 5.08 percent (expressed

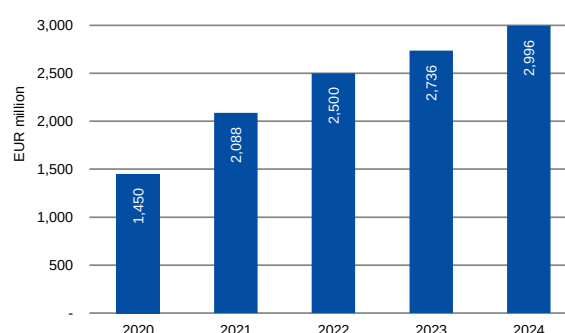
in volume), while overall coin operations activities recorded a group increase of 52.27 percent (expressed in value) and a group decrease of 44.92 percent (expressed in volume).

Chart 80. Supply with cash, (value) EUR million



Source: CBK (2025)

Chart 81. Cash admission, (value) EUR million

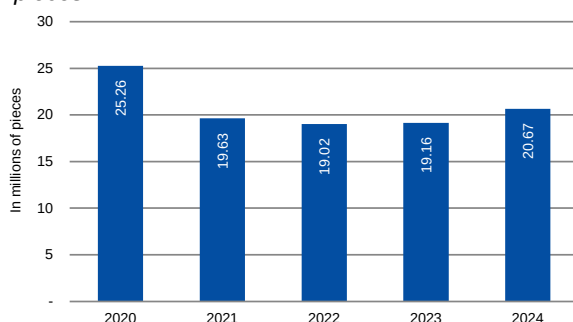


Source: CBK (2025)

The total value of the cash supply in 2024 marked an increase of 7.83 percent compared to 2023.

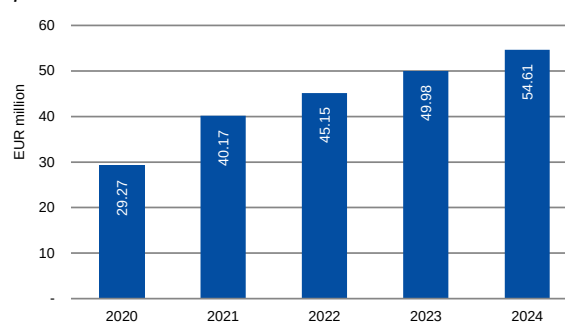
During 2024, the CBK supplied the banking sector with over 20.67 million pieces of euro banknotes (worth over 937.57 million euros) and over 10.13 million pieces of euro coins (worth over 4.58 million euros). The structure of cash supplied by denominations, which is primarily determined by the requirements of the banking sector, did not change from 2023 to 2024. In euro banknotes, the volume of supply requests during 2024 marked an increase of 7.88 percent compared to 2023 and continued to be dominated by supply requests in denominations of 5, 20 and 100 euros, which accounted for around 85.73 percent of the volume of supply requests.

Chart 82. Supply with cash, (volume) in millions of pieces



Source: CBK (2025)

Chart 83. Cash admission, (volume) in millions of pieces



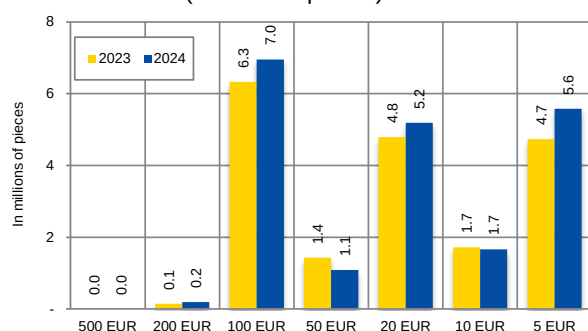
Source: CBK (2025)

During 2024, demand for denominations worth 200, 100 and 50 euros marked a group increase of 4.10 percent, while demand for denominations worth 20, 10 and 5 euros marked a group increase of 10.53 percent compared to 2023.

The volumes of demand for coin supply during 2024 marked a decrease of about 20.75 percent compared to 2023. This decrease in demand during 2024 mainly occurred due to increased supplies of coin volumes at the end of December 2023 as a result of measures against counterfeit money and the supply of the economy with completely new coins. The demand for euro coins in 2024 was dominated by small denomination coins of 1, 2- and 5-euro cents, which accounted for about 52.04 percent of the demand for supply.

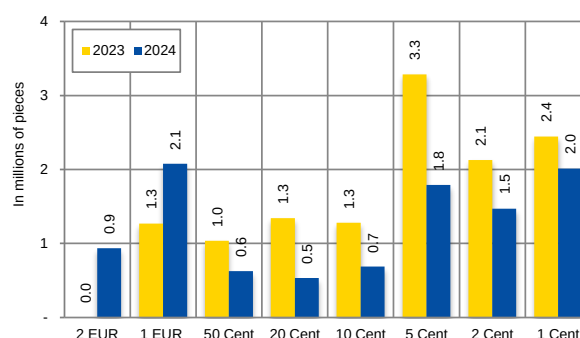
Compared to the previous year, the demands for denominations of 1, 2- and 5-euro cents have marked a group decrease of 38.18 percent, while the demands for supply of denominations of 2 and 1 euro have marked a group increase of 137.39 percent compared to the previous year. The increase in demand for denominations of 2 and 1 euro came mainly as a result of measures against counterfeit money and the supply of the economy with completely new coins.

Chart 84. Supply with EUR banknotes, by denominations (number of pieces)



Source: CBK (2025)

Chart 85. Supply with EUR coins, by denominations

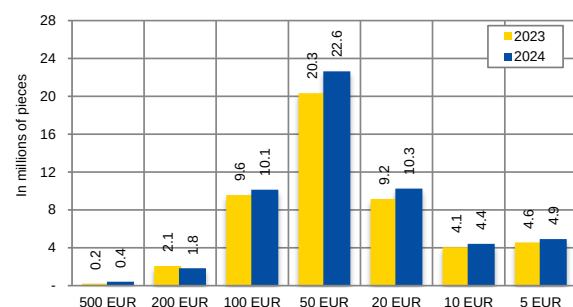


Source: CBK (2025)

The total value of cash accepted as deposits marked an increase of 9.53 percent in 2024 compared to the previous year. Expressed in value, cash deposits reached the amounts of nearly 2.99 billion euro banknotes and over 7.99 million euro coins, respectively. In terms of volume, the CBK received from the banking sector nearly 54.61 million pieces of banknotes (an average of about 220,000 pieces of banknotes per day), while coin deposits were 5.13 million pieces. The volumes of banknotes accepted as deposits during 2024 marked an increase of about 9.25 percent compared to 2023, while in coins, as a result of measures against counterfeit money, the increase was very high.

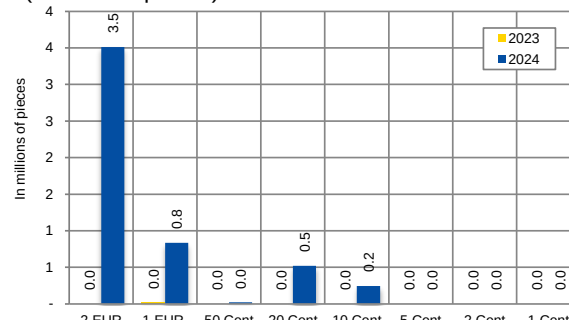
The structure of euro banknotes accepted as deposits during 2024 did not have any major changes from the previous year, while as can be seen in the Chart below, coin deposits (especially in the 2- and 1-euro denominations) were at a higher level than in 2023, as a result of measures against counterfeit money (withdrawal of coins in circulation from the economy on the one hand and its supply with completely new coins on the other hand).

Chart 86. Supply with EUR banknotes, by denominations



Source: CBK (2025)

Chart 87. Received EUR coins, by denominations (number of pieces)

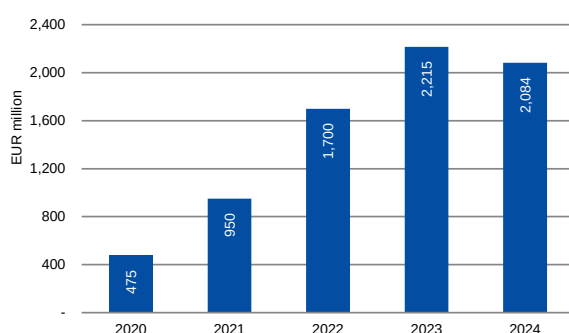


Source: CBK (2025)

Similar to previous years, during 2024, cash received as deposits was at a higher value than cash supplied. In fact, during 2024, net cash¹³ (surpluses) was around 2.05 billion euros, a figure that was significantly higher than in the previous year when net cash was around 1.86 billion euros. This increase in net cash was mainly a result of the significant increase in the volume of cash deposits by the banking sector on the one hand and the moderate increase in the demand for cash compared to the previous year on the other hand.

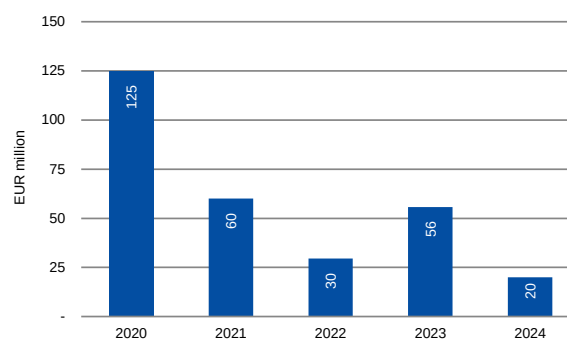
¹³ Deposits minus Cash Withdrawals

Chart 88. Export of cash (value), EUR million



Source: CBK (2025)

Chart 89. Import of cash, (value) EUR million

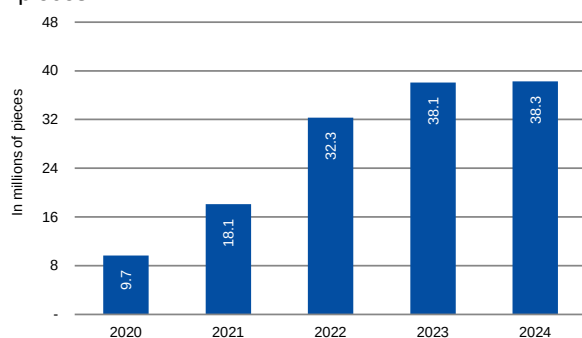


Source: CBK (2025)

The CBK maintains only the optimal level of cash necessary to carry out operations, while the surpluses are sent¹⁴ to the euro area, where they are then used to make international payments and through investments are converted into interest-bearing assets. Net cash remittances¹⁵ abroad in 2024 reached the amount of 2.06 billion euros, being 4.41 percent lower than the previous year when they were 2.16 billion euros.

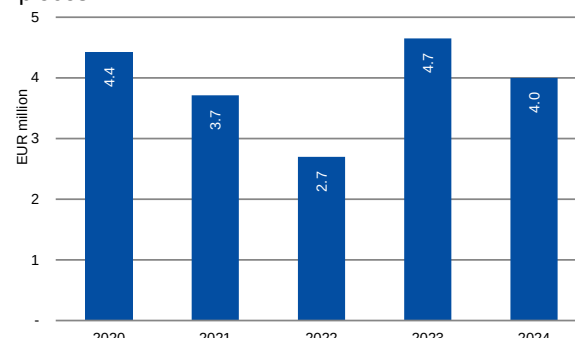
Despite the increase in net cash, the net decline in remittances in 2024 is a result of the reduction in the balance of foreign exchange reserves held in the CBK during 2023 on the one hand and the moderate increase in the demand for cash in 2024 on the other hand.

Chart 90. Export of cash (volume), in millions of pieces



Source: CBK (2025)

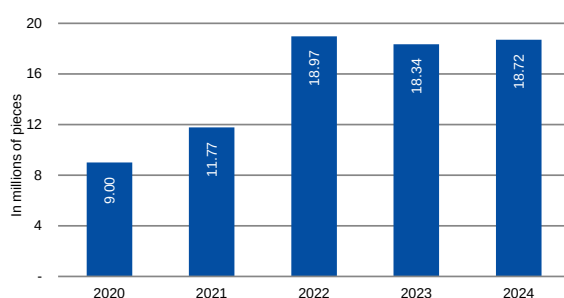
Chart 91. Import of cash (volume), in millions of pieces



Source: CBK (2025)

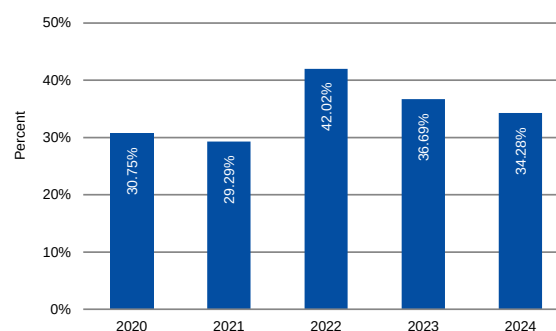
During 2024, approximately 54.6 million pieces of euro banknotes accepted as deposits by the banking sector were processed, checked for authenticity and classified according to their fitness level.

Chart 92. Outdated banknotes withdrawn from circulation (volume), in millions of pieces



Source: CBK (2025)

Chart 93. Outdated banknotes withdrawn from circulation from total received ones, in percent



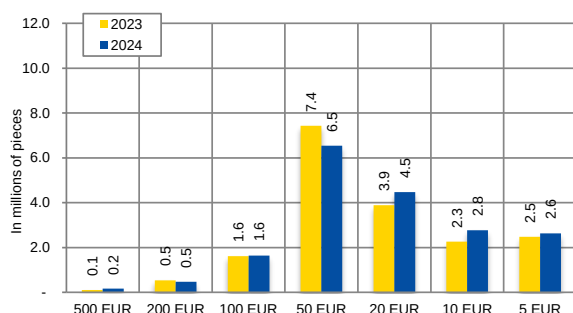
Source: CBK (2025)

¹⁴ Deposited in CBK accounts held in Eurozone correspondent banks

¹⁵ Imports minus Exports of cash

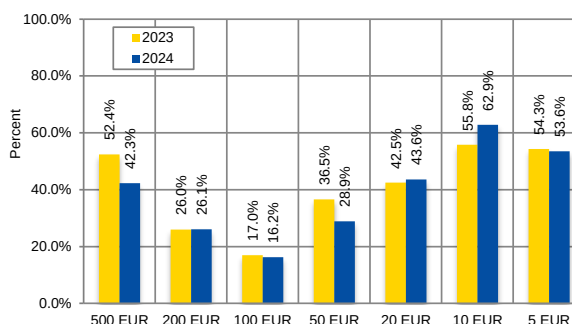
The authenticity checking and fitness classification of such a large volume of banknotes has significantly contributed to protecting the integrity of euro banknotes in circulation, as well as enabling the detection of counterfeits, thus ensuring that all euro banknotes and coins put into circulation are in good quality (suitable for recirculation) so as to ensure that the latter can be easily checked for authenticity.

Chart 94. Outdated banknotes withdrawn from circulation (number of pieces)



Source: CBK (2025)

Chart 95. Outdated banknotes withdrawn from circulation from total received ones (in percent)



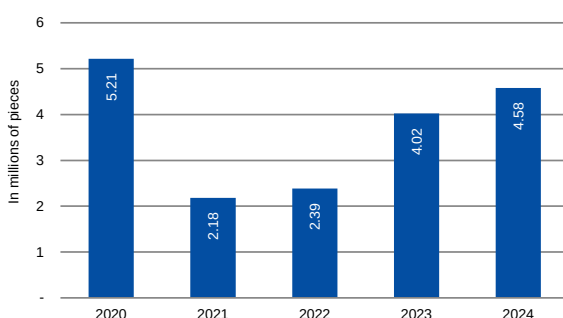
Source: CBK (2025)

Around 18.72 million euro banknotes (34.28 percent of the total number of euro banknotes deposited by the banking sector) during 2024 were classified as unfit for recirculation (obsolete/damaged) and were removed from circulation by being sent to euro area banks. Such a significant volume of unfit euro banknotes withdrawn from circulation continued to contribute significantly to the improvement of the quality of cash in circulation in the Republic of Kosovo as a prerequisite for protecting the integrity of the official currency in circulation.

Similar to previous years, the banknotes that were most frequently classified as unfit for recirculation were those in the 50, 20, 10-euro and 5-euro denominations. They accounted for around 87.74 percent of the volume of unfit banknotes withdrawn from circulation due to their more frequent use by citizens.

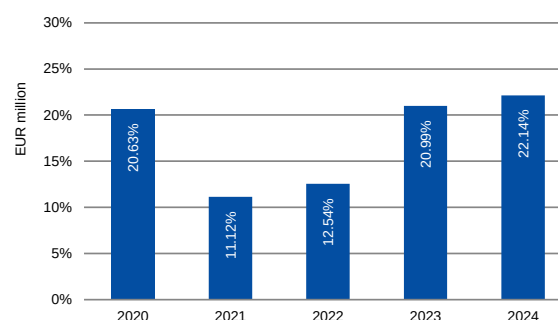
The quality of cash in circulation in the Republic of Kosovo was also improved through the supply of the banking sector with completely new euro banknotes, which were brought from the euro area. During 2024, the CBK supplied the banking sector with more than 4.58 million pieces of new euro banknotes (22.14 percent of the total number of euro banknotes supplied during the year).

Chart 96. New banknotes put into circulation (volume), in millions of pieces



Source: CBK (2025)

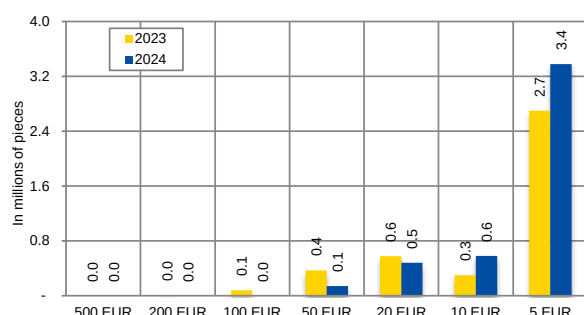
Chart 97. New banknotes put into circulation to total supplied, in percent



Source: CBK (2025)

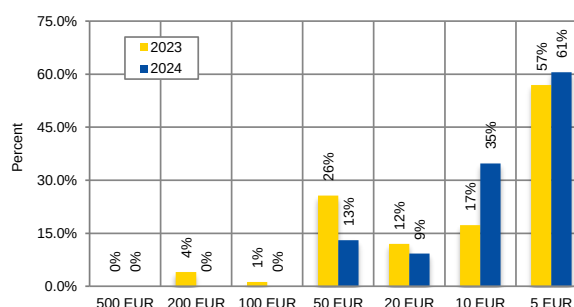
About 96.92 percent of the number of new banknotes supplied (put into circulation) during 2024 were low-denomination banknotes (20, 10 and 5 euros), which were supplied to commercial banks for the purpose of supplying and settling cash transactions in the economy. Furthermore, all the euro banknotes suitable for recirculation supplied to commercial banks were of high quality (suitable for recirculation).

Chart 98. New banknotes put into circulation (number of pieces)



Source: CBK (2025)

Chart 99. New banknotes put into circulation to total supplied ones ratio (in percent)



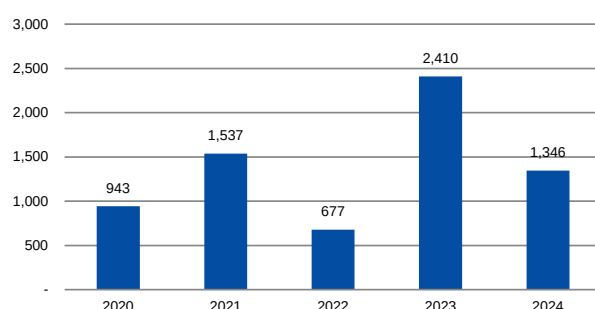
Source: CBK (2025)

7.2.1 Combating counterfeit money and activities in the implementation of regulatory measures

In order to preserve the integrity of the euro in circulation, the fight against counterfeit money has continued throughout 2024.

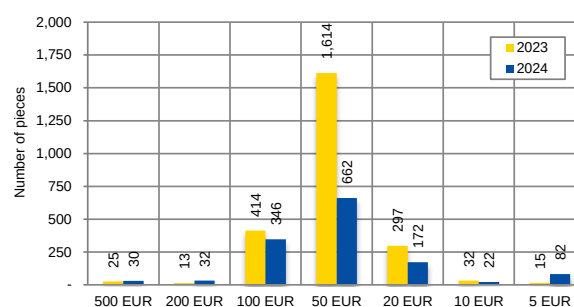
Based on data from the Kosovo Forensic Agency, a total of 1,346 counterfeit banknotes and 41,072 coins were analyzed/reported¹⁶ during 2024. The majority of these banknotes and coins were confiscated by financial institutions during their regular activities.

Chart 100. Counterfeit banknotes seized from circulation, (number of pieces)



Source: Kosovo Agency Forensic (2025)

Chart 101. Counterfeit banknotes seized from circulation, by denominations (number of pieces)



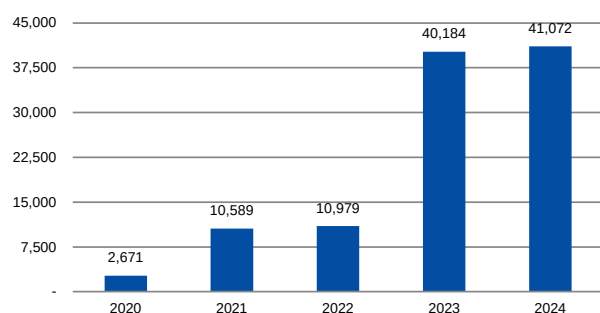
Source: Kosovo Agency Forensic (2025)

Similar to the previous year, in 2024 the most counterfeited banknotes were those of 100 and 50 euros, which accounted for around 74.9 percent of all counterfeit banknotes withdrawn from circulation. Meanwhile, as for coins in 2024, just like in the previous year, the most counterfeited coin was the €2 denomination, which accounted for around 98.6 percent of all counterfeit coins withdrawn from circulation.

In connection with the situation created during 2023 with the phenomenon of the circulation of counterfeit 2-euro coins, the CBK, within the framework of its competences, during November and December 2023 it held several meetings with the institutions responsible for the fight against counterfeit money with the aim of inter-institutional coordination to combat this phenomenon. From the inter-institutional meetings, the responsible institutions agreed on specific short-term action measures, these measures foreseeing the undertaking of preventive actions by each institution according to the areas of responsibility in order to combat the phenomenon of counterfeit money. Joint inter-institutional efforts throughout 2024 resulted in a successful fight against counterfeit currency in the areas of responsibility of each institution without exception.

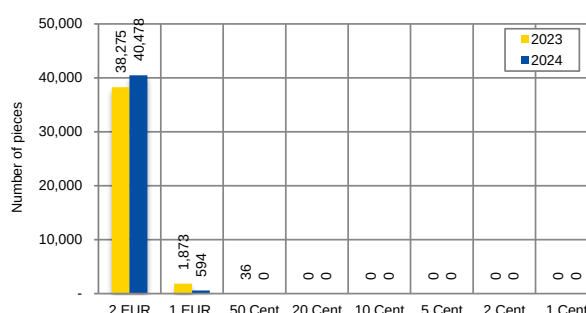
¹⁶ Banknotes and coins found to be counterfeit after analysis.

Chart 102. Counterfeit coins seized from circulation, (number of pieces)



Source: Kosovo Agency Forensic (2025)

Chart 103. Counterfeit coins seized from circulation, by denominations (number of pieces)



Source: Kosovo Agency Forensic (2025)

More specifically, in the implementation of these measures, always within the framework of its competences, the Central Bank of the Republic of Kosovo, in close cooperation with commercial banks, at the beginning of December 2023 began implementing specific action measures such as:

1. Abolition of the fee for depositing coins and incentives for depositing coins
 - a. Abolition of the fee for depositing coins at the Central Bank of the Republic of Kosovo, effective from 11 December 2023;
 - b. Instructing commercial banks to apply the same practice to their customers;
 - c. Abolition of the fee for depositing coins by commercial banks, effective from the end of December 2023;
2. Ensuring the supply of the economy through commercial banks with completely new coins of 2-euro and 1-euro denominations

In implementation of the measure of abolishing the fee for depositing coins in the banking sector, and stimulating the deposit of coins, during 2024, approximately 4.35 million pieces of €2 and €1 coins were withdrawn from circulation and deposited in the CBK, of which 3.51 million pieces of €2 and 835 thousand pieces of €1 coins, these coins were deposited by businesses and citizens in commercial banks without any fees applied. Through this measure, the CBK and commercial banks have detected and withdrawn from circulation nearly 84 thousand pieces of 2-euro denomination coins, suspected of being counterfeit, which have been submitted to the responsible authorities for further analysis.

In implementation of the measure to ensure the supply of the economy through commercial banks with completely new coins, the CBK has supplied the economy of the Republic of Kosovo through commercial banks with nearly 10.13 million pieces of completely new euro coins of all denominations in the amount of nearly 4.58 million euros without any applied fee. This commitment has contributed to reducing the circulation of counterfeit currency, facilitating its identification and raising public awareness on this issue. In addition, the CBK supplied the economy of the Republic of Kosovo through commercial banks with nearly 20.7 million pieces of completely new euro banknotes suitable for recirculation. The number of banknotes issued into circulation was nearly 937.6 million euros.

In the regulatory aspect, in order to prevent counterfeit money and fight against informality and related phenomena, at the beginning of 2024, namely from February 1, 2024, through the Regulation on Cash Operations, regulatory measures began to be implemented, among others, such as:

1. Regulation of cross-border transport of coins - Through this regulation, it is intended to continuously prevent the introduction of counterfeit coins into the Republic of Kosovo, through which regulation, natural persons and legal entities that do not carry out financial activities will be obliged to declare coins if they carry more than 100 pieces/units, regardless of their value being below the declaration limit of 10,000 (ten thousand) euros.
2. Prohibition of recirculation of the 500-euro banknote - Through this regulation, contribution and assistance has been provided in terms of the relevant strategy against money laundering, informality and related phenomena. Through this regulation, the recirculation of the 500-euro banknote by financial institutions was prohibited, although the regulation does not prohibit the circulation of the 500-euro banknote between parties as a legal means of payment.
3. Regulation of cross-border transport of euro banknotes and coins and other currencies - Through this regulation, full control of cash entering and leaving the Republic of Kosovo through financial institutions is carried out to enable modeling of the valuation of money in circulation. Through this regulation, the import and export of euro banknotes and coins and other currencies in the Republic of Kosovo can only be carried out by and for banking and non-banking financial institutions licensed by the Central Bank of the Republic of Kosovo to carry out banking financial activities.
4. Regulation of procedures and obligations for providers of cash deposit or withdrawal services through machines used by the customer - Through this regulation, non-bank financial institutions that are licensed by the Central Bank of the Republic of Kosovo, which offer payment accounts and electronic money, must obtain an additional license and authorization from the Central Bank of the Republic of Kosovo to provide cash deposit or withdrawal services, or purchase and re-delivery of electronic money through machines used by the customer. No natural or legal person may provide cash deposit or withdrawal services through any physical service location or through any equipment or machine used by the customer, in the name of providing financial services without possession of a license and authorization from the Central Bank of the Republic of Kosovo.
5. Regulation of the import of technical-electronic equipment or machines that provide cash withdrawal and deposit services - This regulation aims to regulate the import of technical-electronic equipment or machines for cash withdrawal and deposit services, where this activity can only be carried out by licensed financial institutions for the provision of banking activities or non-banking financial institutions with licensed services for electronic money and payment services. No natural or legal person may import and be equipped with technical-electronic machines for cash withdrawal and deposit services if it is not licensed as a financial institution for the provision of banking activities, or a non-banking financial institution with licensed services for electronic money and payment services.

In implementation of the regulatory measure prohibiting the recirculation of the 500-euro banknote, during 2024 the number of 500-euro banknotes withdrawn from circulation and deposited with the CBK reached 407.5 thousand pieces or 203.75 million euros. This action has influenced, contributed and assisted in the relevant strategy against informality and related phenomena.

In implementation of the regulatory measure regulating cross-border cash transport, the CBK during 2024 has licensed 5 financial institutions for the import and export of cash and for the same during this period has issued 264 export authorizations (mainly of non-euro currencies) in a total equivalent of 977.2 million euros. The most exported currency by financial institutions was the Swiss Franc, which accounted for about 83.32% of the amount exported in euro equivalent, followed

by the British Pound with 8.13%, the US Dollar with 7.02%, and the rest was related to the Swedish Krona, the Canadian Dollar, the Australian Dollar, and the Euro, which together accounted for about 1.53% of the amount exported in euro equivalent by financial institutions during 2024. On the other hand, during this period, 3 authorizations for the import of cash in a total equivalent of 5.61 million euros were issued. The most imported currency by financial institutions was the US Dollar, which accounted for about 100% of the amount imported and was imported for the performance of bank exchange operations.

In the wake of strategic and long-term measures to combat and create a system for the fight against counterfeit money, with support from the European Union Office in Kosovo, the CBK has applied to TAIEX for financing the project 'Creating a system for the fight against counterfeit money in the Republic of Kosovo'. The request of the Central Bank of the Republic of Kosovo was approved in early September 2024 and will be divided into 4 phases. The first and second phases of the TAIEX project were completed during 2024, while phases three and four are expected to be held in the first half of 2025, which foresee the Drafting of the "Law on the Fight against Counterfeit Money in the Republic of Kosovo".

Through the drafting of the Law on the fight against counterfeit money through the TAIEX program, it is aimed to:

1. Review the current legal regulation on the fight against counterfeit money;
2. Draft a specific Law that will specify the establishment of National Anti-Counterfeiting Centers and will define the duties and responsibilities of each responsible institution in the process of preventing and combating counterfeit money, including aspects of the functioning of the system, data exchange and monitoring;
3. Establish the National Centers (NAC, CNAC, NCC and NCO)
 - a. Establishment of the National Banknote Analysis Center (NAC) and the National Coin Analysis Center (CNAC)
 - b. Establishment of the National Central Office (NCO)
 - c. Establishment of the National Counterfeiting Center (NCC);
4. Establish the Counterfeiting Monitoring System (KCMS);
5. Establish specific rules/guidelines and procedures by each institution based on the Primary Law;

7.2.2 Maintenance and transactions of CBK customer accounts

The CBK provides banking services to the Government of the Republic of Kosovo, the Privatization Agency of Kosovo and other institutions such as banks and other financial institutions, public entities, foreign banks, central banks, international financial institutions (International Monetary Fund, World Bank), and international organizations, as specified in Article 9 of Law No. 03/L-209 on CBK.

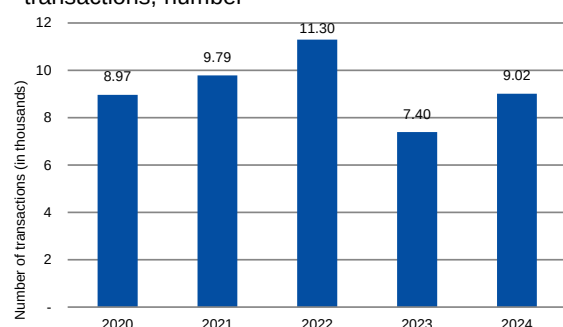
The CBK has supported the advancement of the transaction and approval processes of the Ministry of Finance and the Privatization Agency of Kosovo. Also, during 2024, as in previous years, all international payments were made through the SWIFT network, while all domestic payments were made through the KIPS system, thus reducing time and increasing processing effectiveness.

Table 30. Amount of transactions by main types of payments (in thousands of euros)

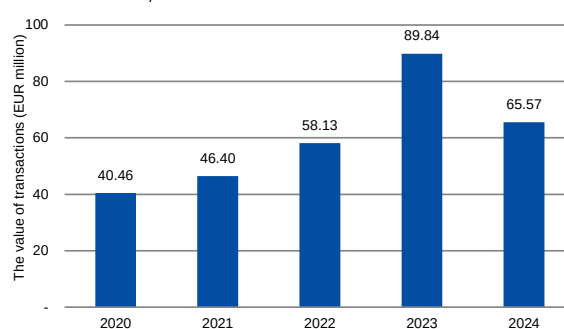
Types of transactions	2020	2021	2022	2023	2024
Transactions with cash	+354,562	+1,119,117	+1,516,986	+1,861,774	+2,054,085
Deposits with cash	1,449,546	2,087,729	2,500,146	2,735,541	2,996,231
Cash withdrawals	1,094,984	968,612	983,160	873,767	942,146
Domestic transfers	+70,305	+30,021	+34,037	+5,532	+40,391
Domestic incoming transfers	110,763	76,421	92,164	95,370	105,957
Domestic outgoing transfers	40,458	46,400	58,127	89,838	65,566
International transfers	-424,086	-1,068,449	-1,444,209	-1,811,455	-2,094,613
International incoming transfers	1,794,963	1,727,337	1,728,325	1,471,546	1,825,009
Outgoing international transfers	2,219,049	2,795,786	3,172,534	3,283,000	3,919,622

Source: CBK (2025)

While the majority of CBK cash operations in 2024 were conducted on behalf of/and for the account of commercial banks, the majority of CBK domestic payment operations were conducted on behalf of/and for the account of the PAK.¹⁷

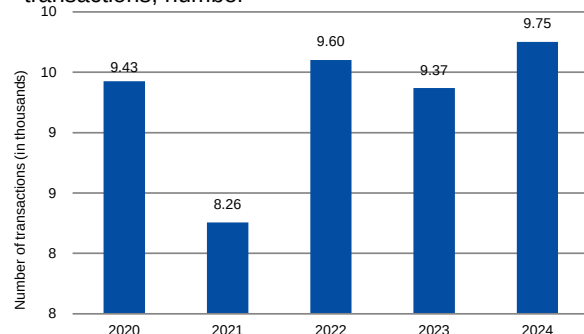
Chart 104. The volume of domestic outgoing transactions, number

Source: CBK (2025)

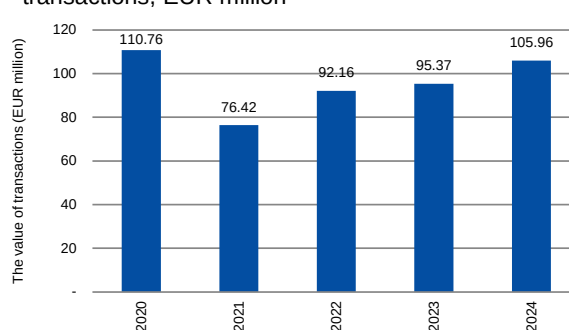
Chart 105. The value of domestic outgoing transactions, EUR million

Source: CBK (2025)

During 2024, the CBK processed on behalf of its clients nearly 9.02 thousand domestic outgoing payment orders (an increase of 21.81 percent compared to the previous year), and received on their behalf nearly 9.75 thousand domestic incoming payment orders (an increase of 4.07 percent compared to the previous year).

Chart 106. The volume of domestic incoming transactions, number

Source: CBK (2025)

Chart 107. The value of domestic incoming transactions, EUR million

Source: CBK (2025)

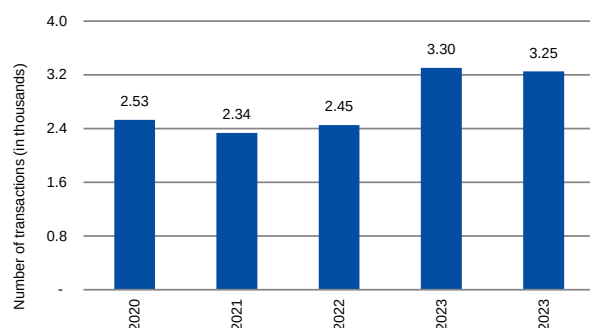
¹⁷ PAK – Privatization Agency of Kosovo

Expressed in value, domestic outgoing payment orders amounted to over 65.57 million euros (a decrease of 27.02 percent compared to the previous year) while domestic incoming payment orders amounted to nearly 105.96 million euros (an increase of 11.10 percent compared to the previous year). The largest number and amount of domestic transactions were carried out by the CBK on behalf of and for the PAK.

Regarding domestic outgoing payments, it should be noted that all commercial banks generate them themselves, while insurance companies conduct all their payments through commercial banks. In fact, all other CBK account holders use the payment services offered by the CBK in a limited manner, since they all have accounts in commercial banks.

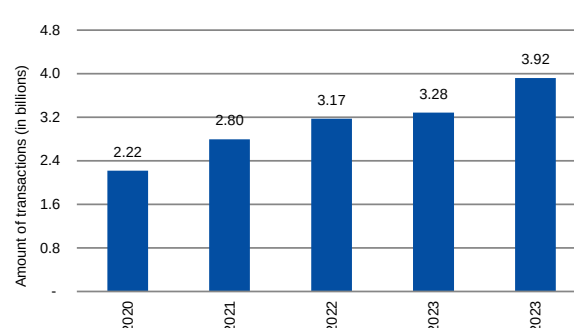
Regarding international transactions, the largest number of them was carried out by the CBK on the order and for the account of the Treasury. On the other hand, based on their value, the largest part of the international transactions carried out by the CBK concerned the transfers of funds of commercial banks and the Kosovo Pension Trust.

Chart 108. The volume of international outgoing transactions, number



Source: CBK (2025)

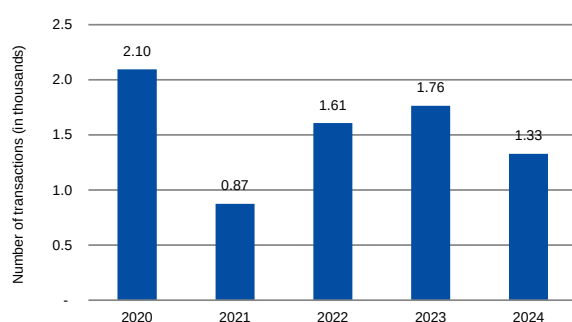
Chart 109. The value of International outgoing transactions, amount



Source: CBK (2025)

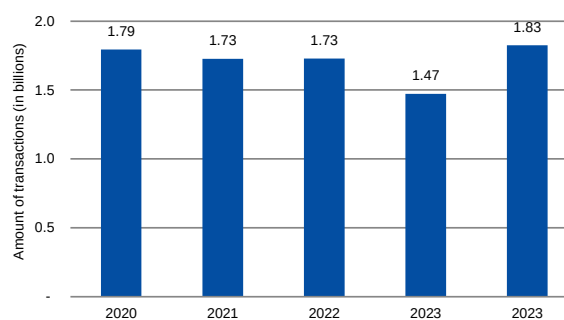
During 2024, the CBK processed for and on behalf of its clients nearly 3,249 outgoing international payment orders (a moderate decrease of 1.63 percent compared to the previous year), and received on their behalf nearly 1,328¹⁸ incoming international payment orders (a decrease of 24.72 percent compared to the previous year). Expressed in value, international outgoing payment orders amounted to over 3.92 billion euros (an increase of 19.39 percent compared to the previous year) while international incoming payment orders amounted to over 1.83 billion euros (an increase of 24.02 percent compared to the previous year).

Chart 110. The volume of international incoming transactions, number



Source: CBK (2025)

Chart 111. The value of international incoming transactions, amount



Source: CBK (2025)

¹⁸ Most incoming payments relate to commercial bank fund transfers.

As of December 31, 2024, the deposits of Kosovo Government institutions amounted to approximately 395.42 million euros, while those of the PAK amounted to approximately 179.14 million euros. Together, the deposits of Kosovo Government institutions and those of the PAK constituted approximately 43.0 percent of the deposits held in the CBK at the end of 2024.

Table 31. Level of deposits from major customers (in thousands of euros)

Accounts statement	2020	2021	2022	2023	2023
Total	1,214,559	1,275,801	1,288,150	1,343,340	1,336,308
Government institutions	316,897	423,322	419,664	345,232	395,422
Privatization Agency of Kosovo	191,457	184,737	165,854	166,373	179,143
Commercial Banks + Insurance Companies	571,114	593,910	575,043	594,657	660,291
Other	135,091	73,832	127,589	237,078	101,452

Source: CBK (2025)

Commercial banks and insurance companies have a significant share in the level of deposits in the CBK. These deposits mainly relate to the legal and regulatory requirements and obligations of commercial banks and insurance companies. They accounted for about 49.41 percent of the deposits held in the CBK at the end of 2024. On 31 December 2024, the deposits of commercial banks and insurance companies amounted to about 660.29 million euros.

III. Governance and internal developments of the CBK

1. The Central Bank Board and its committees

The decision-making process in the Central Bank Board is guided by the principles of legality, professionalism, independence and transparency.

The activities of the Central Bank Board have been oriented towards fulfilling the powers and duties set out in the Law on the Central Bank on Republic of Kosovo. To this end, the Board of the Central Bank has held regular meetings in which it has been informed and discussed the general performance of the financial system in Kosovo. The Board of the Central Bank has also exercised oversight of the implementation of policies, as well as the administration and activities of the Central Bank.

During 2024, the Board of the Central Bank held 13 meetings in which a total of 29 decisions were made. In this context, the Board managed to almost fully implement the previously approved Annual Work Plan for 2024.

The Central Bank Board, as one of the decision-making bodies of the CBK, based on the recommendations of the Executive Board, has reviewed and approved the issuance and amendment of regulations in the field of the financial system, as in the following:

1. Regulation on Systems and Information Security for Pension Funds;
2. Regulation on Amending and Supplementing the Regulation on Insurance Actuaries;
3. Regulation on Liquidity Risk Management of Insurers;
4. Regulation on Risk Retention and Coverage Requirements through Reinsurance;
5. Regulation on the Principles of Country and Transfer Risk Management;
6. Regulation on the Prevention of Money Laundering and Combating the Financing of Terrorism;
7. Regulation on Information Accompanying Funds Transfers;
8. Regulation on Supplementing and Amending the Regulation on External Auditors of Microfinance Institutions;
9. Regulation on Supplementing and Amending the Regulation on External Auditors of Non-Banking Financial Institutions;
10. Regulation on the Register of Accounts;
11. Regulations for Directors and Senior Managers;
12. Regulation on Transactions with Related Persons of Insurers;
13. Regulation on the Official Administration and Liquidation of Payment Institutions and Electronic Money Institutions;
14. Regulation for Payment Service Provider Agents;
15. Regulation on the Public Registry of Payment Institutions and Electronic Money;
16. Regulation on Initial Capital and Own Funds of Payment Institutions and Electronic Money Institutions;
17. Regulation on Outsourcing Arrangements;
18. Regulation on Funds Protection Requirements Applicable to Payment Institutions and Electronic Money Institutions;

19. Regulation on the Transitional Period for the Implementation of the Law on Payment Services;
20. Regulation on Accounting and External Audit of Payment and Electronic Money Institutions;
21. Regulation on Accounting and External Audit of Payment Institutions and Electronic Money;
22. Regulation on the Criteria for Determining the Minimum Monetary Amount of Professional Liability Insurance or Other Similar Guarantees;
23. Regulation on the Determination of Requirements for Credit Transfers and Direct Debits Transactions in Euro;
24. Regulation on Authorization, Prior Approval and Governance of Payment and Electronic Money Institutions, as well as Registration of Account Information Service Providers;
25. Regulation on Technical Standards for Strong Customer Authentication and Open, Common and Secure Communication Standards;
26. Regulation on Notification of Major Operational or Security Incidents to the Central Bank of Kosovo;
27. Regulation on Information and Communication Technology - Information Technology Risk Management and Security;
28. Regulation on Handling Complaints by Financial Institutions;
29. Regulation on Procedures for Imposing Administrative Penalties.

The Central Bank Board also approved:

- Annual Report of the CBK for 2023;
- Financial Statements of the CBK for 2023 and the Independent Auditor's Report;
- Annual Budget of the CBK for 2025;
- Periodic reports and statements of the financial situation of the CBK;
- The Organizational Structure of the Central Bank;
- The Strategic Plan of the Central Bank 2024-2028;
- The Annual (Work) Plan of the Board of the Central Bank for 2025;
- The Annual (Work) Plan of Internal Audit for 2025.

In order to fulfill the competencies defined by the Law on the Central Bank of the Republic of Kosovo, the Board of the Central Bank has timely performed all tasks related to:

- Implementing the nomination and appointment process within the framework of the competencies defined by Law No. 03/L-209 on the Central Bank of the Republic of Kosovo;
- Reviewing all reports and recommendations of the Executive Board and the Governor, with the aim of maintaining financial stability.

The Board has also exercised other duties that have been in harmony with the Law on the Central Bank of the Republic of Kosovo and other legislation in force.

On December 31, 2024, the Board of the Central Bank of the Republic of Kosovo consisted of the following members:

Bashkim Nurboja, Chairman of the Board of the Central Bank;

Nora Latifi Jashari, member;

Nexhat Kryeziu, member;
 Artta Hoxha, member; and
 Ahmet Ismaili, Governor/member.

1.1. Audit Committee (AC)

The Audit Committee (AC) is an advisory body appointed by the Board of the Central Bank of the Republic of Kosovo (CBK) in accordance with Article 62 of Law No. 03/L-209 on the Central Bank of the Republic of Kosovo. The Committee supports the Board of the Central Bank in fulfilling its oversight obligations in the areas of internal control, risk management, institutional governance and financial reporting.

The Committee's mission is to provide independent oversight and advice on:

- The quality and integrity of annual financial statements;
- Compliance with the legal and regulatory framework, including the Code of Ethics;
- The effective functioning of the internal control system;
- Risk management processes;
- The independence and objectivity of the Internal Audit function; and
- The relationship and mutual cooperation between Internal Audit and External Audit.

The composition, mandate and duties of the Committee are defined in the relevant Statute approved by the Board of the Central Bank, while the Committee regularly reports on its activities and assessments.

Composition:

As of December 31, 2024, the Audit Committee consisted of:

- Nora Latifi-Jashari, Chairperson;
- Nexhat Kryeziu, Member;
- Edona Perjuci-Uka, External Member.

Activities during 2024:

During the period January-December 2024, the Audit Committee held a total of eight (8) meetings. Through its work, the Committee has encouraged the improvement of the implementation of best policies, procedures and standards at all levels of the Bank.

The main activities include the following:

- Advising Management on improving the internal control system;
- Review of Internal Audit reports, including relevant findings and recommendations;
- Review of financial statements and evaluation of issues related to external audit opinions;
- Discussion on the results of the external evaluation of the Internal Audit function;
- Approval of the Audit Committee's Annual Plan for 2025;
- Review of the Internal Audit Strategic Plan for the period 2025-2027;
- Approval of the Annual Internal Audit Work Plan for 2025;
- Review and follow-up on issues raised by External Audit;

- Assessment of the collaborative relationship between the Internal Audit function and the External Auditor;
- Protecting the functional independence of the Head of Internal Audit;
- Assessment of the adequacy of Internal Audit human resources;
- Advising on improving risk management and internal control practices;
- Ensuring complete documentation of meetings and reports handled.

Review and update of the regulatory framework:

In cooperation with the Head of Internal Audit, the Committee has reviewed and updated the Committee Statute and the Internal Audit Statute. Both documents have been approved by the Board of the Central Bank after due consideration. The Internal Audit Risk Assessment Methodology has also been reviewed and updated.

Exchange of Experiences:

In order to strengthen institutional capacities and exchange experiences, the Committee conducted an official visit to the Bank of Albania during 2024, where it was introduced to best practices in supervision and auditing.

1.2. Governance, Ethics and Human Resources Committee

The Governance, Ethics and Human Resources Committee (GEHRC) has been appointed by the Board of the Central Bank in accordance with Law No. 03/L-209 on the Central Bank of the Republic of Kosovo and the Rule on the Working Procedures of the Board of the Central Bank. The Committee as an advisory body assists the Central Bank Board in overseeing and implementing the highest standards of governance, ethical conduct and human resources within the Central Bank.

The GEHRC in its advisory role to the CBK Board supervises the following:

- The implementation of the overall governance structure of the CBK;
- Governance policies and practices, including the role of the Board and its committees, as well as the role of the Executive Board;
- The implementation of the legal framework in all CBK operations, with regard to the areas specified in the CBK Statute;
- The implementation of the CBK Strategy;
- The implementation of the Central Bank's Code of Ethics and Conduct;
- Policies and mechanisms for reporting and addressing ethical issues and conflicts of interest;
- The adequacy and implementation of recruitment, training, performance evaluation, compensation policies of CBK employees, as well as the principle of continuity;
- The adequacy and implementation of CBK policies for attracting, developing and retaining the talent necessary to fulfill its mission.
- The composition, mandate and duties of the Committee are defined in the relevant Statute approved by the Board of the Central Bank, while the Committee regularly reports on its activities and assessments.

Composition:

As of December 31, 2024, the Governance, Ethics and Human Resources Committee consisted of:

- Arta Hoxha, Chairperson;
- Bashkim Nurboja, Member.

Activities during 2024:

During the period January-December 2024, the Governance, Ethics and Human Resources Committee held a total of six (6) meetings. Through its work, the Committee has encouraged the improvement and promotion of policies, procedures and best practices at all organizational levels of the CBK relating to corporate governance, ethics and human resources issues.

The main activities include the following:

- Approval of the annual work plan of the GEHRC;
- Advising in the field of Corporate Governance at the CBK through meetings with management;
- Providing recommendations to management, as well as monitoring the implementation of recommendations;
- Reviewing and providing support for supplementing/amending the Organizational Structure, which has been approved by the Board of the Central Bank;
- Reviewing new Human Resources policies and providing recommendations that are addressed by management.
- Discussion and recommendation for the drafting of a regulatory framework for whistleblowers at the CBK;
- Supervising the implementation of the organizational structure, as well as internal policies for the governance of the CBK;
- Review of internal policies and practices related to governance;
- Reviewing policies and mechanisms for reporting and addressing ethical issues and conflicts of interest;
- Addressing human resource management policies and practices;
- Ensuring complete documentation of meetings and reports handled.

Drafting the regulatory framework:

The Committee has drafted the Committee Statute which has been approved by the Board of the Central Bank after relevant reviews.

2. Executive Board

The Executive Board of the CBK consists of the Governor, who is the Chairman of the Executive Board, and the Deputy Governors. As of December 31, 2024, the Executive Board consisted of Ahmet Ismaili, Governor, Dardan Fusha, Deputy Governor for Banking Operations, Milot Cakaj, Deputy Governor for Financial Supervision, and Nesrin Shileku Shala, Deputy Governor for General Functions. The powers of the Executive Board are determined by the Law on the Central Bank of the Republic of Kosovo. The Executive Board is responsible for policy-making, administration and conduct of operations of the Central Bank of the Republic of Kosovo, while its activity is supervised by the Board of the Central Bank.

During 2024, the Executive Board held 40 meetings. Within the framework of its competences in relation to the Central Bank Board, during 2024, the Executive Board reviewed and prepared for processing regulations applicable to the country's financial system, the CBK annual report, as well as the CBK's reports, statements and financial plans. In this regard, the Executive Board has also prepared and communicated regular and ad hoc reports and information on the exercise of the duties and powers granted.

The Executive Board, in accordance with the legislation in force, during 2024 has approved six regulatory instruments in the form of guidelines, as well as two supervision manuals, a guideline and a roadmap applicable to the country's financial system. In the same area of competence, the Executive Board, regarding the banking sector, approved voluntary liquidation of a branch of a foreign bank and the conversion of a branch of a foreign bank into a local bank. Regarding the non-banking financial institutions sector, the Executive Board has approved the registration of two institutions with foreign exchange activities and one institution with lending activities, as well as approved the voluntary liquidation of one non-banking financial institution. In the insurance sector, during 2024, an insurance claims handling and assessment company was registered. In the same period, in order to achieve the primary objectives and based on the relevant tasks carried out by the responsible organizational units, special supervisory measures were imposed on financial institutions and related parties in 18 cases.

In 2024, the Executive Board approved the annual work plan, while in the long-term development aspect, it established the Risk Committee and prepared the new organizational structure of the CBK. During 2024, the Executive Board also approved the issuance/amendment and supplementation of 26 internal policies and rules, and supervised the reporting of committees and other relevant internal bodies for the exercise of its powers. The Executive Board has also exercised other duties in accordance with the Law on the Central Bank of the Republic of Kosovo and other legislation in force.

The following Committees also function within the executive powers:

- Macprudential Advisory Committee
- Investment Committee
- Risk Committee

3. Internal Audit

Internal Audit (IA) is a very important function that provides reasonable assurance to the Central Bank Board, the Audit Committee and the Executive Board regarding the effectiveness of internal control mechanisms. Internal Audit, together with External Audit, completes the accountability chain in the institution.

The legal framework of the Central Bank of the Republic of Kosovo (CBK) provides the IA with a full mandate and independence in carrying out audit engagements. These engagements aim to provide recommendations to increase the effectiveness of internal controls and add value to the institution.

During 2024, the IA carried out audits according to the Annual Plan drafted based on the Risk Assessment Methodology according to the Risk-Based Approach. The audits carried out during this year included financial, compliance, operational and information technology audits. The audit activities were conducted in accordance with Law No. 03/L-209 on the Central Bank of the Republic of Kosovo, Article 61 of this Law, and the Annual Plan of the IA.

The main focus of the IA has continued to be on advancing and improving systems and processes that assist Management in achieving institutional objectives. Through the engagements carried out, the IA has provided specific recommendations for improving internal controls and increasing value in various departments and divisions of the Central Bank.

In addition to the audit activities carried out in 2024, the IA has also drafted the Annual Audit Plan for 2025, preceded by the preparation of the Strategic Internal Audit Plan for the period 2025-2027. This plan was discussed in November 2024 by the Audit Committee and approved in December 2024 by the Board of the Central Bank.

The Head of the Internal Audit Department has reported regularly to the Audit Committee and the Board of the Central Bank. During 2024, eight (8) meetings of the Internal Audit Committee were held, in which the progress of the implementation of audit activities and the implementation of the Internal Audit Department's recommendations were mainly discussed.

In addition, the IA has continued its commitment to implementing recommendations arising from external assessments, including those from the Central Bank of the Netherlands, the International Monetary Fund (Safeguards Assessment) and the External Auditors.

As part of continuous professional development, IA staff participated in several trainings, seminars and conferences during 2024. Continuous communication and cooperation with the CBK External Auditors have also been carried out systematically.

4. Risk Management Function

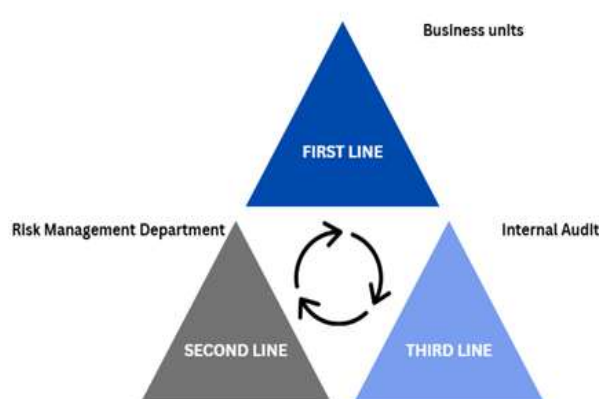
Risk Management (RM) at the CBK is oriented towards achieving the objectives set by law and is monitored and supervised with a structured systematic approach, defined by the overall RM framework. This framework defines the main types of risk (strategic, operational and financial risk) that the CBK faces and manages. Part of the framework are the processes for risk identification, analysis and assessment, which are followed by adequate risk responses and the level of risk is monitored according to the regulatory framework in force.

The development of the MR framework in the CBK is based on principles that enable effective and efficient risk management in achieving its objectives and is not a process independent of other work activities and processes, but is an integral part of governance and all processes, including strategic planning and project management.

The CBK, in line with best practices, has adopted the three following lines of defense model for risk management:

- First line of defense - Organizational units/process owners have the primary responsibility for risk management, who implement internal controls to prevent and manage risks related to their activities.
- Second line of defense - The Risk Management Department has an oversight role, ensuring that risk management processes are appropriate and effective, as well as providing guidance and coordination in the implementation of risk policies and strategies, and
- Third line of defense – Internal Audit conducts independent assessments to ensure that risk management measures and internal controls are operating effectively and are in line with the regulatory framework and strategic objectives of the CBK.

Figure 2. Organizational units – process holders



During 2024, in the framework of improving the risk management structure, the Risk Management Committee was established. This committee aims to strengthen the structured approach to risk management, supporting the monitoring and oversight of risk management policies and strategies within the institution. The Risk Management Department (RMD) reports periodically to the CBK Executive Board on activities in the service of process improvement and on the overall risk profile of the CBK. The RMD also reports to the Risk Management Committee and the Audit Committee.

In 2024, the Risk Appetite Statement (RAS) was approved at the CBK, which determines the level of risk that the institution is willing to assume to achieve its strategic, financial and operational objectives. This statement articulates the risks that could affect the CBK's key resources, including profit, capital, liquidity and reputation. Changes to the risk appetite statement must be recommended by the Risk Management Committee, approved by the Executive Board and approved by the Central Bank Board through the Audit Committee.

CBK's Risk Appetite Statement:

The Central Bank of the Republic of Kosovo maintains a low tolerance for acceptable risks that could hinder its ability to safeguard the stability of the financial system and achieve its objectives.

We actively manage and mitigate operational, financial, and market risks, as well as other types of risks, through rigorous internal controls and a comprehensive risk management framework, ensuring the continuity of our core functions and the fulfilment of our mandate to preserve economic and financial stability.

In achieving its objectives, the CBK is exposed to these main categories of risks:

Strategic risk

Strategic Risk is the risk that unexpected internal and external events may negatively impact the achievement of the CBK's strategic objectives and goals.

Financial risk

The CBK is exposed to various types of financial risks including; credit risk, market risk, currency risk and liquidity risk.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Reputational risk

Reputational risk refers to the possibility that a particular event or action could damage the CBK's public image or reputation, thereby jeopardizing its ability to achieve its policy objectives and fulfill its responsibilities to the public, employees, stakeholders and the wider economy.

External risk

External risk is the risk that political, geopolitical events or external actors will affect the achievement of the CBK's objectives.

Surveillance risk

Supervisory risk is the risk that the CBK's supervisory processes fail to identify and mitigate significant risks to the financial services industry or customers and that have an adverse effect on market stability or effective competition.

During 2024, in order to increase efficiency in the field of risk management, RMD has created two divisions, operational risk management and financial risk management.

4.1. Operational Risk Management

The Operational Risk Management Division within the Risk Management Department has developed the Risk Management System, which supports the processes of identifying, assessing, reporting and monitoring risks within the CBK. It ensures the collection of data necessary for the identification and assessment of risks and enables the creation of regular reports for their monitoring. Through this system, the CBK addresses each type of risk in an effective and coordinated manner, enabling proactive and reactive measures to be taken to keep the potential impacts of risks under control and to ensure the sustainability of its operations.

For each identified risk, the source of the risk is also determined, which may have an impact on the achievement of the bank's strategic and operational objectives. Operational risks may arise

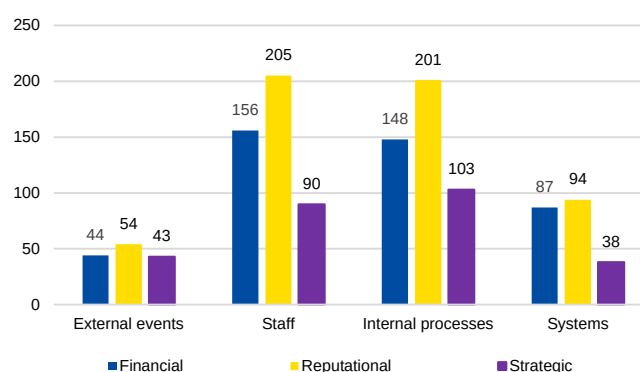
from ineffective internal processes, system failures, external events or human errors. The figure below shows the sources of risks identified at the end of 2024 and their potential impact.

The CBK is a member of the IORWG (International Organization Risk Working Group), an international platform that enables institutions to share and develop best practices for operational risk management. The CBK, as a member of this platform, has participated in the periodic assessment

conducted by this organization with over 124 institutions, including central banks, supervisory authorities and monetary authorities (including the IMF and the BIS) from 118 countries.

The CBK, as a member of the IORWG, has participated in the periodic assessment conducted by the IORWG which resulted in a 73.5% maturity level, indicating significant progress in improving the structure and processes of risk management in the CBK. This assessment is the result of the CBK's ongoing commitment to implement international best practices and develop a sustainable framework for operational risk management, as well as to enhance internal capacities to identify, analyze and address risks.

Chart 112. Sources of risks



Source: CBK (2025)

Maturity levels according to IORWG

Ad hoc	BASIC	MANAGED	ADVANCED	MATURE
<60.9%	≥60.9%	≥71.2%	≥86.6%	≥94.1%

To strengthen the CBK's risk culture, awareness programs regarding operational risk management were developed in 2024, which programs were executed periodically. To contribute to raising awareness about incident reporting, the development and reporting of key risk indicators and other issues related to risk management, easily accessible guidelines and procedures have been developed for staff. During the quarterly reporting periods of self-assessments and risk indicators, meetings were held with all reporting units in order to provide guidance on risk identification and assessment of risk mitigation controls. Also, after each development and advancement of supporting processes and instruments, roundtables and workshops were organized with organizational units in order to provide the necessary information for the implementation of new requirements issued through these acts.

The processes for risk identification, analysis and assessment, which are followed by risk responses and monitoring of its level, are designed to serve the achievement of the Central Bank's strategic objectives, highlighting potential opportunities and risks. To achieve this, a connection has been made between strategic goals, work processes that help achieve these objectives, and risks that may jeopardize their achievement. For each phase of the risk management cycle, procedures, forms and tools have been developed to support the identification, assessment, reporting and monitoring of the level of risk in the institution.

The Risk Management Function has prepared consolidated reports with the results obtained after the analyses and assessments using the instruments developed for this purpose. The reports as final products resulting from the execution of the risk management processes are standardized and tailored for the stakeholders.

The CBK attaches particular importance to the continuity of its services. The Bank plans, implements and continuously monitors various types of activities that contribute to the continuous provision of its critical services and increase the sustainability of the bank in general.

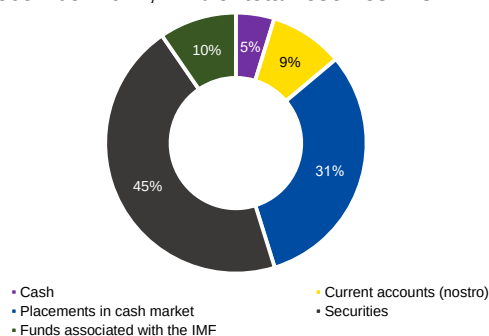
The Business Impact Analysis (BIA) process is the process of determining the resources required for the bank's critical service processes and makes it possible to identify all the technical, human and logistical resources necessary for the provision of these services. This process also identifies third parties involved in the provision of critical services, assesses potential risks that could lead to disruption or interruption of service provision, and determines the minimum time the business can tolerate for service disruption and the timeframe for recovery of this service.

In 2024, the business continuity plan was tested to provide relevant services in emergency situations.

4.2. Financial Risk Management

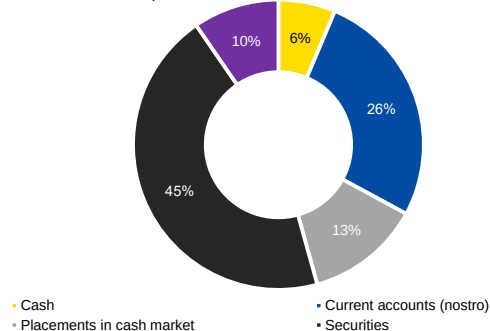
The CBK manages its reserves based on the principles of safety, liquidity and return on investments. Financial risk refers to the possibility that the bank will suffer financial losses as a result of unexpected or uncontrolled changes in financial markets.

Chart 113. Structure of the CBK reserve as of 31 December 2024, in % of total reserves: EUR million



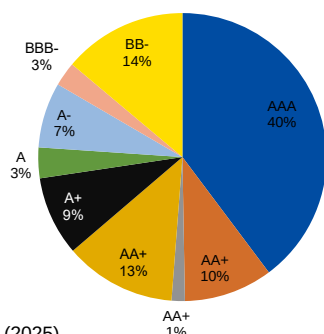
Source: CBK (2025)

Chart 114. Structure of the CBK reserve as of 31 December 2023, in % of total reserves: EUR million



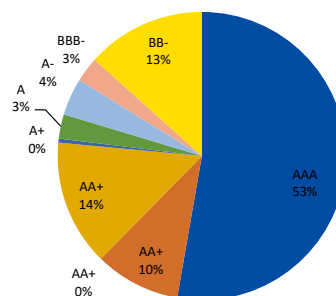
Source: CBK (2025)

Chart 115. Credit classification of the CBK reserves as of 31 December 2024



Source: CBK (2025)

Chart 116. Credit classification of the CBK reserves as of 31 December 2023



Source: CBK (2025)

Financial risk can be classified into different types as in the following:

- **Credit risk** is the risk of financial loss for the CBK if a counterparty to a financial instrument fails to meet its contractual obligations and may arise primarily from the CBK's investments in securities and deposits (in money markets or current accounts) with other banks;
- **Market risk** is the risk of losses arising from movements in market prices as a result of changes in interest rates, foreign exchange rates and capital and commodity prices;

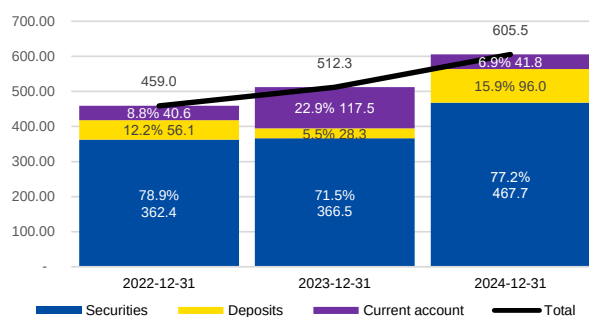
- **Liquidity risk** means the possibility of financial loss as a result of failure to meet obligations arising from financial liabilities on a timely basis;

The risks pertaining to the management of assets by the CBK consist mainly of financial risks such as credit risk, market risk and liquidity risk.

Credit Risk

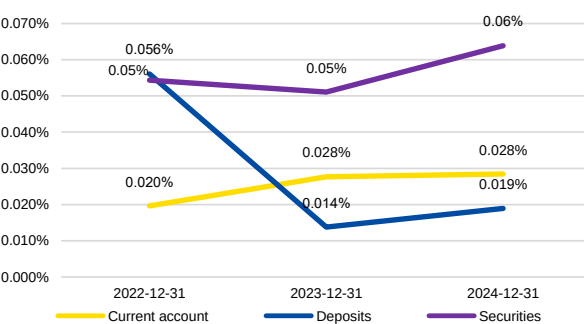
The investment of CBK funds is made in securities issued by stable and developed countries, the most credible agencies of the euro area, and supranational institutions with high investment credit ratings from international credit agencies such as Standard & Poor's, Moody's, Fitch, as well as in securities of the Republic of Kosovo.

Chart 117. Expected credit losses by exposure type



Source: CBK (2025)

Chart 118. Expected credit losses to value ratio by type of exposure ECL/EAD



Source: CBK (2025)

The CBK manages credit risk by investing in financial instruments with high credit ratings. All investments are made in accordance with the short-term and long-term credit rating criteria set out in the Investment Policy: P-2/A-2 (Moody's/S&P) or higher for the short term and Baa2/BBB (Moody's/S&P) or higher for the long term, as well as in exceptional cases in the market, with P-3/A-3 or higher for the short term and Baa3/BBB or higher - (Moody's/S&P) or higher for the long term. Also, in order to achieve diversification of investments in financial instruments, according to the Investment Policy, restrictions have been set at the level of investment type, issuer, geographical distribution, maturity.

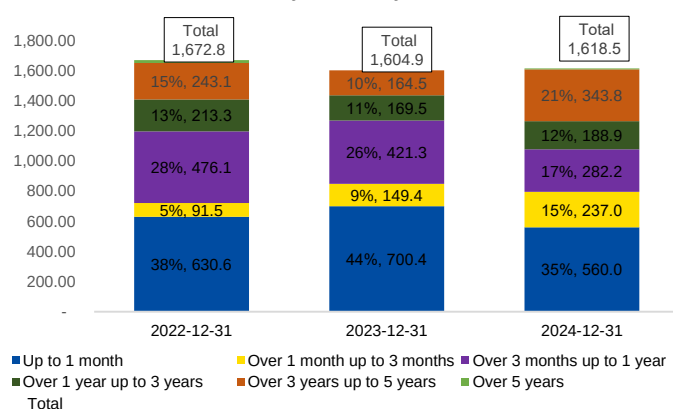
Market risk

The CBK is not exposed to changes in the prices of equity securities and commodities. The CBK is exposed to changes in interest rates and exchange rates.

Interest rate risk is the exposure of the CBK's current or future earnings and equity to adverse changes in market interest rates. In order to effectively manage interest rate risk, the CBK monitors on a regular basis how changes in interest rates will affect the economic value of equity and its earnings. The

CBK manages its exposure to changes in interest rates on the economic value of equity by investing mainly in securities or short-term deposits of up to 1 year.

Chart 119. Reserves by maturity



Source: CBK (2025)

Exchange rate risk is the risk of loss from changes in exchange rates. The CBK has a low percentage of non-euro financial instruments in its portfolio, therefore the exposure to foreign

exchange risk is assessed to be low. Cross-currency changes affect the revaluation account balances in the balance sheet as well as the profit or loss in the income statement. As of 31 December 2024, out of the total €1,618.48 million reserves, approximately 87% are in euros, while as of 31 December 2023, out of the total €1,604.91 million reserves, approximately 89% were in euro.

Liquidity risk is the risk of timely fulfillment of obligations arising from its financial liabilities. The CBK's approach to liquidity management is to ensure sufficient liquidity to meet obligations on time, both under normal and adverse conditions, without incurring unacceptable losses or risking damage to the CBK's reputation. The CBK manages liquidity risk by investing in liquid financial instruments such as nostro accounts in correspondent banks, money market deposits with a maturity of no longer than one year. As of 31 December 2024, 67% of the CBK reserve has a remaining maturity of up to one year, while as of 31 December 2023, 79% of the reserve had a remaining maturity of up to one year.

5. Human Resources

In line with the strategic objectives of the CBK and its human resources management policies, the institution is committed to the continuous advancement of modern human resources management practices. This commitment aims to create a sustainable and inclusive work environment by integrating the best international standards and providing equal opportunities for professional development and advancement for all employees. In this way, the CBK aims to increase the professionalism, performance and motivation of its staff, ensuring that the institution remains competitive and innovation-oriented.

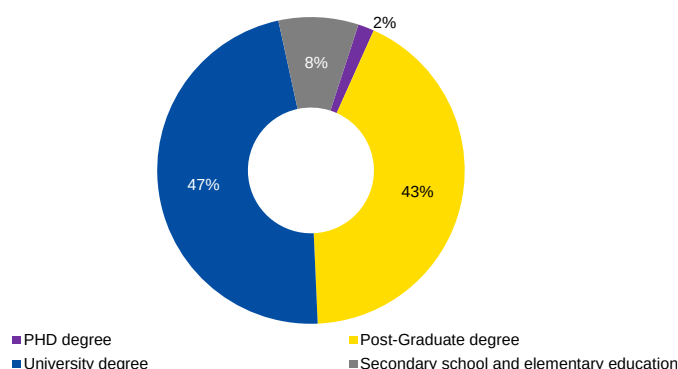
At the end of 2024, the number of employees at the CBK was 237, with an average age of 42 years. The gender structure remained balanced, with the ratio of female employees to male employees being 53.8% - 46.2%, while at management level this ratio was 41.0% - 59.0%.

Regarding staff qualifications, the CBK continues to have a high academic structure: 1.7% of staff have completed doctoral studies, 42.6% have pursued postgraduate studies, 47.3% have completed university studies, 7.6% have secondary education and 0.8% have basic education (see Chart 120.)

During 2024, the CBK drafted for the first time the Integrity Plan, a key document for strengthening ethical and professional standards within the institution. In addition, several questionnaires were developed for all staff, with the aim of their active involvement in changes and improvements to the Bank's processes.

Furthermore, during 2024, important steps were taken towards advancing internal policies that support the development of staff capacities and strengthening human resources management. Important documents related to training, professional development, performance evaluation was reviewed and harmonized, with the aim of creating a more strategic and sustainable approach to building institutional capacities. The labor relations policy was also updated, including the regulation of employment and recruitment procedures, ensuring transparency and objectivity in these processes. In addition, the policy for the classification of work decisions was also adopted,

Chart 120. Structure by education



Source: CBK (2025)

which contributed to the unification and standardization of positions within the institution in accordance with international best practices. These improvements reinforce the CBK's commitment to the professional development of its staff and the building of an organizational culture based on performance, inclusion and integrity. Through the implementation of contemporary human resource management practices and continuous commitment to the professional development of its staff, the HRD ensures that the CBK remains a modern and competitive institution, with a focus on quality and professional inclusion. The Central Bank of Kosovo considers human capital as one of its most important assets and continuously implements policies that ensure working conditions in line with international standards.

In 2024, a total of 177 CBK employees participated in professional trainings, seminars and conferences, as well as study visits, in cooperation with prestigious institutions such as the European Central Bank, the World Bank, JVI, CEF, the Bundesbank of Germany, the Bank of France, the National Bank of Austria, the Federal Reserve Bank of New York, the IMF, the Bank of the Czech Republic, the Bank of England, the Bank of Italy, the Bank of Albania, the Bank of the Netherlands, the Association of Kosovo Banks and other international institutions.

6. Information Technology and Security

During 2024, the CBK continued to advance technological systems, strengthen information security and improve work processes. The main focus has been on increasing the quality and expanding the services provided, as well as ensuring their security. An important development in this regard has been the orientation towards services in Cloud technology, with the aim of accelerating technological transformation, strengthening security and increasing the sustainability and continuity of the functioning of information systems in cases of crisis.

In order to comply with new technological developments and the ever-increasing demands for efficient and secure services, a review of the department's structure has been undertaken, capacities have been increased and working conditions have been improved in order to attract and retain professional IT staff. The new structure is designed to provide a more effective response to operational needs, new developments and increasing demands for digitalization of services, consequently cybersecurity. This structure supports the objectives of the CBK Strategic Plan, enabling a clearer and easier approach for business and service users to effectively address requests, as well as improving the response time to them.

In order to face the growing challenges in the field of cybersecurity, the CBK has undertaken a strategic initiative to establish a Cybersecurity Framework. This initiative is led by the Chief Information Security Officer (CISO) function, established within the new organizational structure of the CBK. As an initial step, a Cybersecurity Strategy has been developed, which sets out the vision, objectives and measures for the protection of the institution's critical infrastructure, systems and information. The strategy is based on an integrated approach that includes capacity building, risk management, incident response and continuous improvement of control mechanisms. This strategy represents the foundation for building a sustainable and effective structure for information and cyber security, ensuring compliance with the most advanced international standards.

7. Communication with the Public

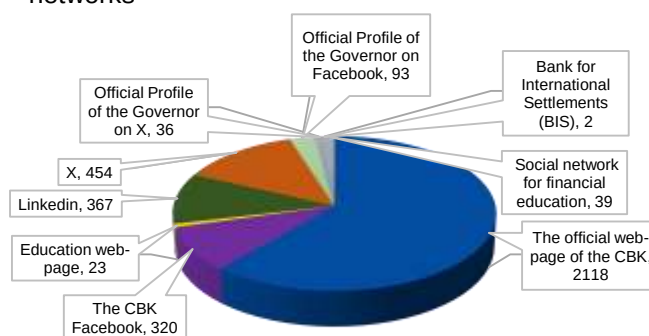
The year 2024 has been marked by significant developments for the Central Bank of the Republic of Kosovo in the field of public communication and strengthening institutional transparency. During this year, the CBK has taken sustainable steps to transform the way it informs and engages with citizens, the media and other stakeholders.

The CBK has significantly improved and expanded its communication with the public through announcements published on all official channels, in order to ensure comprehensive and transparent information on the activities and responsibilities of the institution. This communication has been carried out through:

- Publication of press releases and announcements to the media;
- Publication of detailed data and statistics on banking institutions, the payment system and other financial institutions;
- Periodic reports, bulletins and analyses on financial stability;
- Distributing informational materials, such as brochures, videos, infographics and other educational content to the public.

In addition to traditional communication with the media, digital communication has also been expanded, including: 320 publications on the official CBK Facebook page, 93 publications on the Governor's official Facebook profile; 367 publications on LinkedIn; 454 publications on X (formerly Twitter); 36 publications on the Governor's official X profile and 2 publications on the BIS platform. During the period, the presence on the official social networks of the CBK has increased significantly, through the publication of visual materials and informative content, including video messages and information on the platforms LinkedIn, Facebook, X (former Twitter) and YouTube.

Chart 121. Number of publications on social networks



Source: CBK (2025)

A very important development during 2024 was the redesign of the official website and the financial education platform. The new website has a modern design and is in line with international practices for transparency, security and inclusiveness, offering a clear structure, easy navigation and organized content. New features of the website include: a dynamic calendar of activities, the possibility of advanced search, filtering and sorting of information according to user needs, as well as a multimedia gallery with visual and video content.

Regarding the handling of requests for information and communication with the public - in order to fulfill its objective of transparency and public information, during 2024 the CBK has handled a considerable number of requests for information from citizens and other interested parties. During this period, the CBK has responded to all official requests addressed to the institution, and has handled over 420 correspondences with the public, including requests for information, questions related to the financial system and the areas of responsibility of the CBK. The number of requests handled for access to public documents during 2024 was 34, of which 31 requests were granted full

or partial access, while 3 requests for access to documents were rejected in accordance with the requirements of the legislation in force.

These requests are administered through the official contact address info@bqk-kos.org and media@bqk-kos.org and contacts of officials responsible for specific areas, reflecting the institution's commitment to an open, transparent and accountable approach towards citizens and all stakeholders.

During 2024, the CBK continued its commitment to institutional communication and public transparency, with the aim of providing balanced, professional and timely information to the public, as well as cooperating with the media as partners in disseminating information to citizens.

In this context, the CBK has developed a wide range of information and representation activities. Communication with media representatives has been carried out through press conferences, official statements, interviews, public presentations, as well as through the participation of the Governor and senior management of the CBK in television interviews, discussion panels and important public events.

The Governor has been present in local, regional and international media, including platforms such as: Bloomberg (written interview), Financial Times, Reuters, Associated Press, Euractiv, Politico and Frankfurter Allgemeine Zeitung. A total of 22 television and video interviews have been conducted, including local media, such as RTK, Kosovo Press, KTV, Kallxo, ATV and Ekonomia Online as well as other media, and meetings were held with the Independent Media Commission.

A special activity was the information campaign that accompanied the entry into force of the Regulation on Cash Operations. In this regard, the CBK organized a series of activities with the aim of correctly informing citizens about the content and implementation of this regulation. As part of this campaign, information materials such as leaflets and brochures in Albanian, Serbian and English, as well as the document with "Frequently Asked Questions and Answers", were prepared, distributed and published.

In order to facilitate access to information and to provide support to all citizens of the Republic of Kosovo, a toll-free line (0800 222-55) was also put into operation during the year, which was dedicated specifically to the Serbian community and other communities, in order to inform them in a clear and fair manner on the implementation of the regulation. In order to address these requests, the CBK engaged a special team with adequate linguistic and process knowledge. At the same time, 23 explanatory videos were produced and published in the three official languages of the Republic of Kosovo regarding the regulation, as well as 9 explanatory publications based on the most frequently asked questions of citizens.

The CBK has maintained open communication with all local, regional and international media and online portals, where during the year it has addressed all requests and responded to 54 requests for information.

During this period, the CBK has held regular meetings with representatives of diplomatic missions and local and international institutions to provide additional clarifications on the purpose and expected effects of the Regulation in question.

7.1. Cooperation with other local institutions

During the reporting period, in accordance with the institutional mandate and in accordance with legal requirements, the Governor, together with the technical team, participated in two meetings of the Committee on Budget, Finance and Transfers of the Assembly of the Republic of Kosovo,

presenting the results of the work and providing detailed information on developments in the financial system and institutional reforms.

In addition to other engagements, a total of 71 official meetings were held, of which 35 were held at the CBK premises, where representatives of local and international financial institutions were hosted, including ambassadors and diplomats accredited to Kosovo.

Regular cooperation has also continued with local institutions such as the MFLT, FIU, KFKJ, KBA, CIPA, KIB, chambers of commerce and universities and other local institutions, on which occasion several memoranda of understanding have been signed:

1. Memorandum of Understanding with ISA for the addition of two services to e-kosova: Account Registry and Kosovo Credit Registry.
2. Memorandum of Understanding with KAS and MFLT – for defining roles and responsibilities in the field of macroeconomic and financial statistics.
3. Memorandum of Understanding with the Faculty of Economics - to advance cooperation and activities in the field of economics, finance and financial education
4. Memorandum of cooperation with KBA KIB and CIPA - for the coordination of activities in the field of Financial Education

The CBK has carried out regular cooperation with the Information and Privacy Agency, the Anti-Corruption Agency and law enforcement authorities, in accordance with legal requirements and relevant mandates. This cooperation has been developed through the exchange of information, regular reporting, consultations and handling of sensitive institutional issues. The actions have been based on memoranda of understanding and applicable legislation.

The CBK has also organized and co-organized a number of conferences and professional events during 2024, with the aim of increasing cooperation and developing the financial sector. These activities have served as important platforms for the exchange of experiences and the presentation of innovations in the financial sector.

7.2. International Conference to mark the 25th anniversary of the CBK

In the framework of marking the 25th anniversary of its establishment, the CBK organized the International Conference on the topic: "Transcending Borders, Building the Future: SEPA Integration for Financial Inclusion - Strengthening Growth and Financial Sustainability".

In addition to its ceremonial character, this event also served as a high-level professional conference, attended by 24 speakers, including governors and senior representatives of international financial institutions and the CBK, as well as 250 participants, including 44 international guests from the most important international financial institutions. The conference was opened with a welcoming speech by Mr. Ahmet Ismaili - Governor of the CBK, while the President of the Republic of Kosovo, Ms. Vjosa Osmani-Sadriu, addressed the attendees with a welcoming speech, emphasizing the role of the CBK in maintaining economic and financial stability in the country.

This International Conference, organized on the occasion of the 25th anniversary of the establishment of the CBK, was also greeted through a video message by Ms. Kristalina Georgieva - Managing Director of the International Monetary Fund (IMF). The keynote address of the conference was delivered by Mr. Robert Holzmann – Governor of the Austrian National Bank, while the closing speech was given by the Chairman of the CBK Board, Mr. Bashkim Nurboja. Within the framework of the Conference, three sessions were held that addressed topics such as SEPA integration, digital transformation and their impacts on financial services, highlighting the facilitation of cross-border payments and increased transaction efficiency; improving financial

stability in a changing global environment; and the role of Western Balkan banks in supporting economic development and advancing financial inclusion in a competitive and digitalized market.

From an organizational perspective, the Conference was held with high protocol and ceremonial commitment, in close cooperation with the State Protocol, the Kosovo Police, as well as representatives of state institutions and international partners. The event was widely covered by local and international media, reflecting the interest and importance of the topics discussed as well as the high level of representation. The organization of this Conference highlighted the capacities of the CBK to create an adequate environment for regional and international dialogue on strategic topics of financial development.

7.3. End-of-year media conference (December 26, 2024)

As part of regular public communication activities, the Year-end Conference with representatives of local media was held at the end of December 2024. This now traditional event serves to present to the public the institutional achievements during the year, the challenges it has faced and the objectives for the coming years. In addition, this event serves as an open communication forum, where representatives of all local media have the opportunity to address issues of interest and receive direct answers. In this way, the CBK promotes full transparency and deepens its partnership with the media, aiming for regular, professional and balanced communication on developments in the financial sector.

This conference emphasized the important role of the media in accurately informing the public, as well as the CBK's gratitude to them for the correct coverage of the institution's events and achievements during 2024.

8. International Cooperation and European Integration

The year 2024 was characterized by high dynamics in the international relations of the Central Bank of Kosovo, in line with the strategic goal of expanding international cooperation and active participation in international financial organizations. Intensive activities in this direction have contributed to increasing the international credibility of the CBK and deepening Kosovo's integration into the European and global financial system.

8.1. Cooperation with International Institutions and Technical Assistance

The CBK has maintained and intensified cooperation with key international institutions such as the European Central Bank (ECB), the International Monetary Fund (IMF), the World Bank (WB), the International Finance Corporation (IFC), the European Bank for Reconstruction and Development (EBRD), the Austrian Financial Markets Authority (FMA), the OECD, the German Economic Team (GET) and central banks in the region and beyond.

During 2024, a senior CBK delegation, led by Governor Ismaili, participated in the IMF and WB Spring and Annual Meetings in Washington D.C. Through over 30 bilateral and multilateral meetings with senior representatives of the IMF, WB, US Federal Reserve Bank, EBRD, Bank of France, Bank of Italy, EuroClear, IFC and other relevant institutions, the CBK delegation discussed a wide range of issues of strategic importance. The delegation actively participated in discussions on regional and global economic perspectives, representing Kosovo at the highest levels of international financial dialogue.

During 2024, the IMF continued to support the CBK with technical assistance in various areas, such as:

1. Reserves and Investment Management - to advance reserve and risk management practices,
2. Banking Supervision – for reviewing the current SREP manual and its implementation in operational procedures
3. Insurance Supervision – for the advancement of risk-based supervision,
4. Statistics - improving the completeness of Government Finance Statistics (GFS) for decision-making
5. Financial stability - for modeling Stress Tests and
6. Operational risk - to review the operational risk framework and establish the Risk Committee
7. Oversight of IT Systems for Financial Institutions – Framework for Cyber Risk Management and Necessary Tools.

An important process that has begun during the year is the review of the Law on CBK, which is also being carried out with technical assistance from the IMF. An effective review will help address gaps in the current Law on CBK, remove inconsistencies in supervisory competencies, and strengthen the legal framework in order to improve governance.

Another important development is the successful completion of all tasks under the Stand-By Arrangement (SBA) and the Resilience and Sustainability Program (RSF), reflecting the commitment of the Central Bank of the Republic of Kosovo (CBK) to financial stability, economic sustainability and institutional reform. Within the framework of this agreement, the draft Law on Banking has been finalized in accordance with the recommendations of the FSSR assessment and

has been sent to the Assembly, the document on the “Rules of Procedure” clarifying the roles and responsibilities of the Supervisory Board in relation to the Executive Board under the legal framework has been completed, the roadmap for the adoption of the SREP (Supervisory Review and Evaluation Process) has been prepared, and has been approved the guideline for determining the practices that banks should follow to monitor and report data on exporting companies that may be exposed to transition costs in the context of the implementation of the Carbon Border Adjustment Mechanism (CBAM). These accomplishments strengthen the CBK's supervisory capacity and demonstrate its commitment to further advance in line with international standards and in close cooperation with the IMF.

At the same time, the CBK has continuously benefited from technical assistance from the World Bank. During 2024, this support has been focused on several key areas, with the aim of strengthening institutional development and improving the CBK's supervisory functions:

1. Payment System: for preparation of SEPA membership, through the approximation of the regulatory framework with relevant European standards.
2. Insurance Supervision: for the implementation of IFRS 17 and Solvency II standards, with the aim of strengthening the supervision of the insurance sector.
3. Banking Supervision: for the Strategy of the Management and Supervision of Climate Risks in the Financial Sector (2024–2026), as well as for improving the banking resolution and supervisory reporting framework (FINREP/COREP).
4. Banking Supervision and Financial Stability – for the Corporate Sustainability Study as a comprehensive assessment of the corporate sector in Kosovo, to assist supervisors in effectively evaluating banks' credit risk assessment models.

In the field of technical cooperation, the CBK has signed with IFC the Agreement for the Advancement of Digital Financial Services. This agreement aims to promote and increase the use of digital technologies in the financial sector, contributing to increasing financial inclusion and developing a more efficient and sustainable financial system in Kosovo. The cooperation supports the strengthening of the technical and regulatory capacities of the Central Bank, addressing the challenges and opportunities brought by the digital transformation in the financial sector and accelerating innovation for the benefit of citizens and businesses. Another very important cooperation is the technical assistance that IFC has provided in the drafting of the Law on Microfinance Institutions and NBFIs, which is expected to be finalized during 2025.

Regarding cooperation with the EBRD, during the participation in the spring meetings of the IMF and the WB in Washington DC, a Memorandum of Understanding was signed regarding the implementation of the “WE Finance Code” initiative in Kosovo. Through this Memorandum, the CBK takes a leading role in promoting standards for gender equality in access to finance, committing to coordinate and facilitate cooperation between financial institutions and other important local stakeholders. This development places Kosovo among the first economies in the region to engage in a structured manner to advance gender access to finance, and is in line with the CBK's strategic priorities for financial inclusion and financial sector development in accordance with the most advanced international standards.

Another important collaboration with the EBRD is the Regional MREL Study for Kosovo, as a key initiative to strengthen the resilience of the banking sector. This study, supported by the EBRD, aims at helping align Kosovo's financial system with European standards for managing banking crises, by defining capital requirements and eligible liabilities. The implementation of this framework will help banks build recovery and resolution plans, increasing financial security and preparing them to cope with potential shocks to financial markets.

During 2024, the CBK continued to participate as a beneficiary institution in Phase II of the Program for Strengthening the Capacities of Central Banks in the Western Balkans with a View to Integration into the European System of Central Banks (ESCB). Phase II of this program, which was launched in September 2022, during 2024 included the development of 7 trainings and 2 high-level policy workshops, in which the CBK participated together with other beneficiary institutions and which addressed areas and topics of interest to the central banks of the region. Also, during 2024, 3 bilateral cooperation measures with individual central banks of the ESCB, initiated in 2023, were completed: 1) cooperation with the central bank of Austria in the field of risk management, 2) cooperation with the Central Bank of Italy in the field of operations with banknotes and coins, and 3) cooperation with the Central Bank of Lithuania in the field of information technology security. At the same time, during 2024, a bilateral cooperation measure was agreed with the Central Bank of Slovenia in the field of the macroprudential framework, which will be implemented during 2025. During 2024, 1 internship of CBK staff was also implemented at the Central Bank of Slovenia within the legal services function, and 1 internship at the Central Bank of the Netherlands within the board governance function and 1 internship at the Croatian Financial Services Supervisory Authority within the insurance supervision function were agreed, which will be implemented during 2025. This program is funded by the EU and is implemented by the ECB and 20 central banks of the ESCB, including the German central bank, which coordinates and administers it.

8.2. Activity related to European integration

In order to realize the country's perspective for EU membership, the CBK has continued this year to fulfill its obligations within the framework of the European integration process by continuously contributing through regular reports and active participation in meetings with local and international institutions involved in the integration process. In this way, close cooperation has continued with the Office of the Prime Minister of Kosovo (OPM), as the main coordinator of the integration process, as well as with relevant ministries including the Ministry of Foreign Affairs and Diaspora, the Ministry of Finance, Labor and Transfers, and the Ministry of Industry, Entrepreneurship and Trade, as well as the EU Office in Pristina.

During the reporting year, the CBK has regularly contributed to the preparation of the Country Report, providing detailed data and analysis from the chapters it covers, to reflect the progress of structural reforms and compliance with European standards. The CBK has also actively participated in the drafting of the Agreements within the framework of the Growth Plan for the Western Balkans, ensuring the integration of financial and supervisory components related to the institution's mandate. The CBK has also been an active part of the negotiating team of the Free Trade Agreement between the Republic of Kosovo and the EFTA Member States (Switzerland, Norway, Iceland and Liechtenstein). CBK representatives have contributed to the chapters related to financial services, ensuring that the provisions of the agreement are in line with the legal framework and practices of the Kosovo financial market, as well as with international standards. The CBK's engagement in this process has been key to ensuring a gradual and sustainable opening of the financial services market, protecting financial stability and creating new opportunities for the development of the financial sector in line with the institution's strategic objectives.

Within the framework of the Economic Reform Program (ERP), the Central Bank of the Republic of Kosovo has continued to report regularly on the conclusions arising from the economic and financial dialogue between the European Union and the Western Balkan countries and Turkey, reflecting relevant macroeconomic and sectoral developments. In this regard, cooperation with the European Central Bank (ECB), through structured meetings and discussions on financial stability, financial supervision and regulation, as well as market competition, has been of particular importance. The ECB has provided continuous technical and professional support, contributing to

the strengthening of the CBK's institutional capacities and progress towards European integration.

Also, the CBK has continuously contributed to the implementation of the National Plan for European Integration (NPiE), through reporting on relevant chapters and measures taken to fulfill the reforms required under the Stabilization and Association Agreement.

In addition to regular reporting, as part of efforts to advance European integration, the Governor of the CBK has represented the Republic of Kosovo at the Ministerial of the six Western Balkan countries on the Single Payments Area (SEPA), as well as at the Annual Ministerial of the European Council for Economic and Financial Policy (ECOFIN), contributing to the strengthening of inter-institutional dialogue with the European Union (EU).

In order to advance the process of Kosovo's membership in SEPA, the CBK delegation has held high-level meetings with representatives of the European Commission, including the Directorate-General for Financial Stability, Financial Services and Capital Markets (DG FISMA). During these meetings, the pre-application for membership was finally confirmed and further technical and legislative steps were determined. In this context, the CBK has concluded the pre-application for SEPA through the submission of the updated application in December 2024, accompanied by the new legal regulation, in accordance with EU requirements.

Governor Ismaili also held meetings with senior leaders of the European Payments Council (EPC), the Directorate-General for Neighborhood and Enlargement (DG NEAR), as well as with governors of central banks of the Western Balkan countries, with the aim of deepening regional cooperation and harmonizing financial policies with those of the EU.

As part of the expansion of cooperation with EU institutions, the CBK also hosted a member of the Board of the EU Closing Authority, contributing to strengthening capacities for financial crisis management and building mechanisms in line with EU practices.

These developments reflect the continued commitment of the Central Bank of the Republic of Kosovo to the European integration process, through meeting the required standards and expanding cooperation with relevant European Union institutions.

The CBK's commitment to reforms is reflected in the positive assessment of the European Commission's Kosovo 2024 Report. The report highlights the stability and expansion of the banking sector, with high capitalization and growth in lending and deposits, the adoption of the Regulation on Liquidity Risk Management, and recommends continued implementation of the capital requirements framework. The report recognizes progress in strengthening the governance of the CBK, following the appointment of the Governor and the completion of the Executive Board, as well as the importance of the new five-year Strategic Plan, launched at the end of 2023, to increase operational efficiency. Special appreciation is given to the CBK's contribution to the fight against money laundering, through a risk-based supervisory framework and cooperation with the Financial Intelligence Unit, the progress in combating counterfeiting of currency, as well as the advances in financial inclusion, including the provision of IBAN for NBFIs and the CBK's membership in the Network for Sustainable Finance and Banking, in order to integrate ESG principles in the financial sector.

8.3. International and regional conferences

On November 15, 2024, the Central Bank of the Republic of Kosovo (CBK) marked its 25th anniversary with a high-level International Conference, entitled "Building Bridges Across Borders, Building Futures: SEPA Integration for Financial Inclusion – Strengthening Growth and Resilience". This important event brought together in Pristina senior leaders of the IMF and the World Bank Group, governors and senior managers of central banks from the region and European

countries such as Austria, Iceland, Portugal, Italy, Slovenia, Croatia, Lithuania, Estonia, England, North Macedonia, Albania, Turkey and Montenegro, as well as leaders of other international financial institutions.

For the CBK, this conference was a strategic opportunity to strengthen dialogue with international financial institutions, demonstrate institutional progress and consolidate support for the country's reform agenda in the financial sector. The broad international participation and high level of discussions contributed to increasing the credibility of the CBK as a central financial institution and a reliable partner on the regional and global stage.

Another important development was the organization for the first time in Pristina of the Regional Conference on Insurance Supervision of Central, Eastern and South-Eastern Europe (CESEE ISI) as a joint organization between the CBK and CESEE ISI, with the participation of 11 countries from the EU and the Western Balkans, specifically leaders and senior officials of insurance regulatory authorities and central banks from Albania, Austria, the Czech Republic, Slovenia, Hungary, Poland, Slovakia, Montenegro, North Macedonia and Bosnia and Herzegovina.

During 2024, Kosovo hosted the International Monetary Fund (IMF) Regional Workshop on the Special Data Reporting Standard (SDDS) – an event that marks a historic moment in the Republic of Kosovo's journey towards further improving statistical reporting practices and transparency. The five-day workshop brought together representatives from Kosovo, Montenegro, Albania and Slovenia, as well as IMF experts, to exchange knowledge and experiences on advancing towards meeting the SDDS standards. This initiative was organized by the IMF, in cooperation with the Central Bank of Kosovo (CBK), and with the financial support of the Government of Japan. Holding this workshop in Prishtina underscores the CBK's joint commitment to strengthening national capacities in the field of statistical data reporting and reporting, in line with international transparency practices and standards.

Another important event, in collaboration with the IMF's Europe Department, was the conference where the Regional Economic Outlook Report for Europe (REO) was presented. The event brought together over 70 participants from public institutions, the financial sector, academia and international organizations.

In addition to the conferences organized in Kosovo, the year 2024 was characterized by the active participation of the CBK, represented by the Governor, in a series of high-level international panels and events, organized by the central bank and other regional and international institutions. The Governor was a speaker at the panel of the International Forum "Vienna Initiative" held in Lithuania, together with central bank governors and heads of international financial institutions. He also presented at the panel on macroprudential policy at the Reykjavik Economic Conference. Other important participations during the year were: the XI Regional Forum of Ministers of Finance, Governors of Central Banks and Directors of Tax Administrations, held in Bečić; the high-level roundtable of the "We Lead" project, funded by the European Union and organized by the Center of Excellence in Finance; the high-level conference organized by the National Bank of the Republic of North Macedonia in cooperation with the Bretton Woods Committee; and the Annual Conference on the topic "The Role of the Central Bank and the Banking System on the Path to the EU", organized in Tirana by the Bank of Albania and the Albanian Banking Association.

8.4. Memberships in international organizations

Another important development during the year was the CBK's membership in the European Payments Clearing Houses Association (EACHA). This membership was formalized in May 2024 within the framework of the Payments Forum Plenary Meetings in Sofia, Bulgaria. EACHA represents 29 clearing houses in 28 European countries and plays a key role in the standardization

and harmonization of payment infrastructure. The CBK's participation in this organization constitutes a strategic step towards the modernization of the payment system in the country, increasing operational efficiency and advancing interoperability with European systems, thus contributing to the preparations for integration into the SEPA area. This membership is also expected to foster the further development of the local financial market and improve the provision of modern payment services in Kosovo.

In 2024, the Republic of Kosovo received its first sovereign credit rating from the international agency "Fitch Ratings", which rated the country with a BB- rating with a stable outlook. One of the main pillars that contributed to this rating is Kosovo's banking sector, characterized by high stability, sufficient liquidity and good capitalization. The "Fitch" agency has assessed the stability of the banking sector even in periods of global uncertainty, as well as the efficiency of banking supervision, which has been carried out in accordance with the best international standards.

8.5. Bilateral Visits to Counterpart Institutions

During the reporting year, the Central Bank of the Republic of Kosovo has carried out a series of high-level bilateral visits, with the aim of strengthening regional and international cooperation, as well as exchanging professional experiences in areas of importance for the stability and further development of the financial sector. CBK delegations conducted official visits to the Financial Supervisory Authority of the Republic of Albania, the Central Bank of Malta and the National Bank of Hungary. Cooperation with the AFSA was concretized with mutual visits, where in addition to the visit of the CBK delegation to Tirana, senior representatives of the AFSA also conducted an official visit to Prishtina.

During the meetings with the AFSA in Albania and Kosovo, regulatory developments in the insurance and capital markets, the implementation of international standards such as IFRS 17 and Solvency II, as well as the advancement of cooperation in the field of financial education and the integration of ESG practices were discussed. The official visit to the Central Bank of Malta provided opportunities for the exchange of experiences in the field of risk management, payment systems, preparations for SEPA membership, reserve management and measures to prevent money laundering. While the visit to the National Bank of Hungary was conducted with a focus on the exchange of best practices in the field of consumer protection, where the CBK delegation was introduced to the organizational models and innovative approaches applied by this institution.

At the same time, the CBK welcomed in Pristina a high-level delegation from the National Bank of North Macedonia, with whom regional cooperation in the areas of financial supervision, macroprudential policy, consumer protection and financial education was discussed. This visit was crowned with the signing of a Memorandum of Understanding for enhanced inter-institutional cooperation. These visits have significantly contributed to the enhancement of the technical and regulatory capacities of the institution, reinforcing the role of the CBK as a reliable partner in the regional and European network of central banks and supervisory authorities.

Other bilateral collaborations include: DMB's visit to the Bank of Austria on the Implementation of SREP and ICAAP, DSP's visit to the Bank of Lithuania on FINTECH participation in the Payment System, and the visit to the Bank of Italy on Risk-Based Supervision and PPP. The last two visits also marked the conclusion of the "Support to Kosovo's European Integration" Project, a three-year project funded by the Norwegian Embassy.

These commitments affirmed the CBK as a credible institution and reliable partner in the international financial system, and reinforced its vision for a sustainable, inclusive and harmonized financial sector with international standards.

9. Financial sustainability

During 2024, the CBK continued to strengthen financial sustainability as part of institutional independence, achieving the required reserve levels according to the requirements of the law, in addition to meeting all financial needs, and managing to allocate for the second consecutive year the share of distributable revenues to the budget of the Republic of Kosovo, which will be transferred to the state budget during 2025. The distributable revenues belonging to 2024 are worth 30.8 million euros, of which 15.4 million euros are capitalized in the capital of the CBK and another 15.4 million euros are transferred to the budget of the Republic of Kosovo.

The financial statements of the CBK for 2024 have been audited by a licensed external auditor in accordance with the requirements of the legislation, who have received a clean (unmodified) opinion, which together with the statements are disclosed in Annex No. IV below.

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IV. Financial Statements

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Central Bank of the Republic of Kosova

Financial Statements

as at and for the year ended 31 December 2024

Accompanied by the Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the Board of Central Bank of the Republic of Kosovo

Opinion

We have audited the financial statements of Central Bank of the Republic of Kosovo (the "CBK" or the "Central Bank"), which comprise the statement of financial position as at December 31, 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the CBK as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the CBK in accordance with the International Ethics Standards Board for Accountant's International Code of Ethics for Professional Accountant's (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of CBK as of and for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on May 22, 2024.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the CBK's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the CBK or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the CBK's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CBK's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the CBK's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the CBK to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Burim Cena,
Engagement Partner

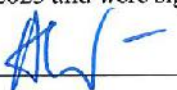
BDO Kosova L.L.C.
Str. Ukshin Hoti, Bil. C4/3, Ent. A, 2nd Floor,
10 000 Prishtina, Kosovo

June 4, 2025

Central Bank of the Republic of Kosovo
Statement of financial position
As of 31 December 2024

<i>In thousands of EUR</i>	Note	2024	2023
Assets			
Current assets			
Cash on hand	7	77,017	101,932
Current accounts with non-resident banks	8	147,633	426,077
Securities (Treasury bills and Bonds)	9	192,364	383,879
Money market placements	10	506,806	205,252
Assets related with IMF	11	154,934	153,831
Other assets	14	2,673	2,476
Total current assets		1,081,427	1,273,447
Non-current assets			
Money market placements	10	539,730	333,935
Assets related with IMF	11	25,255	24,430
Property and equipment	12	4,179	4,276
Intangible assets	13	836	896
Total non-current assets		570,000	363,537
Total assets		1,651,427	1,636,984
Liabilities			
Current Liabilities			
Due to domestic banks	15	656,260	590,622
Due to IMF related accounts	16	1,135	1,297
Due to governmental institutions	17	575,251	511,903
Due to public and commercial entities	18	104,611	240,202
Borrowings	19	228	222
Other liabilities	20	2,042	8,362
Total current liabilities		1,339,527	1,352,608
Non-current liabilities			
Due to IMF related accounts	16	189,420	182,920
Borrowings	19	1,256	1,440
Other liabilities	20	827	860
Total non-current liabilities		191,503	185,220
Total liabilities		1,531,030	1,537,828
Capital and reserves			
Authorized capital	21	30,000	30,000
Reserve fund	21a	56,997	39,507
Revaluation reserve	21a, 29	1,783	2,018
Retained earnings		31,617	27,631
Total capital and reserves		120,397	99,156
Total liabilities, capital and reserves		1,651,427	1,636,984

These financial statements were approved by the decision-making bodies¹ of the Central Bank of the Republic of Kosovo on April 24, 2025 and were signed on their behalf by:


 Ahmet Ismaili
 Governor


 Faton Ahmetaj
 Director of Financial Department

The accompanying Notes 1 to 33 form an integral part of these financial statements.

¹According to Article 34 and 59 of Law No.03/L-209 on Central Bank of the Republic of Kosovo.

Central Bank of the Republic of Kosovo
Statement of profit or loss and other comprehensive income
As of 31 December 2024

<i>Expressed In thousands of EUR</i>	Note	2024	2023
Interest income			
Interest income		45,149	34,526
Interest expense		(17,922)	(9,350)
Net interest income	22	27,227	25,176
Fee and commission income			
Fee and commission income		4,716	4,140
Fee and commission expense		(1,221)	(1,274)
Net fee and commission income	23	3,495	2,866
Regulatory and other operating activities income			
Income from regulatory activity	24	8,722	7,849
Income from grants	20, 25	50	81
Other operating income	26	22	19
Foreign exchange profit / (loss)	29	783	(182)
Operating income		40,299	35,809
Administrative (operating) expenses			
Personnel expenses	27	(6,036)	(5,588)
Depreciation and amortization	12, 13	(890)	(840)
General and administrative expenses	28	(1,663)	(1,697)
Administrative (operating) expenses		(8,589)	(8,125)
Financial result before allowance for expected credit losses		31,710	27,684
Expected credit losses, net	4	(93)	(53)
Profit for the year		31,617	27,631
Other comprehensive income		-	-
Total comprehensive income for the year		31,617	27,631

The accompanying Notes 1 to 33 form an integral part of these financial statements.

Central Bank of the Republic of Kosovo
Statement of changes in equity
For the year ended 31 December 2024

<i>In thousands of EUR</i>	Capital	Reserve fund	Revaluation reserves	Retained earnings	Total
Balance as at 1 January 2023	30,000	31,444	1,529	8,552	71,525
Transfer to reserve fund	-	8,063	489	(8,552)	-
Total transactions required by law	-	8,063	489	(8,552)	-
Profit for the year	-	-	-	27,631	27,631
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	27,631	27,631
Balance as at 31 December 2023	30,000	39,507	2,018	27,631	99,156
Balance as at 1 January 2024	30,000	39,507	2,018	27,631	99,156
Transfer to reserve fund	-	17,490	(235)	(17,255)	-
Transfer to Treasury – Ministry of Finance	-	-	-	(10,376)	(10,376)
Total transactions required by law	-	17,490	(235)	(27,631)	(10,376)
Profit for the year	-	-	-	31,617	31,617
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	31,617	31,617
Balance as at 31 December 2024	30,000	56,997	1,783	31,617	120,397

The accompanying Notes 1 to 33 form an integral part of these financial statements.

Central Bank of the Republic of Kosovo
Notes to the financial statements for the year ended 31 December 2024
(in thousands of Euros, unless otherwise stated)

<i>In thousands of EUR</i>	Note	2024	2023
Cash flow from operating activities			
Profit for the year		31,617	27,631
<i>Adjustments for:</i>			
Depreciation	12	632	555
Amortisation	13	258	286
Income from grants	25	(50)	(81)
Expected credit losses	4	93	53
Foreign exchange net profit / loss	29	(783)	182
Interest income	22	(45,149)	(34,526)
Interest expense	22	17,922	9,350
		4,540	3,450
Change in treasury bills and government bonds		(4,378)	(51,881)
Change in money market placements		(201,000)	75,105
Change in assets related to IMF		(7,513)	131,205
Change in other assets		(170)	240
Change in due to commercial banks		65,622	(3,659)
Change in due to IMF related accounts		937	128,345
Change in due to government institutions		62,926	(73,880)
Change in due to public and commercial entities		(135,587)	109,064
Change in other liabilities		(6,304)	6,814
		(220,927)	68,112
Interest received		44,869	33,718
Interest paid		(17,712)	(9,259)
Net cash generated by/(used in) operating activities		(193,770)	92,571
Cash flow from investing activities			
Purchase of equipment	12	(428)	(632)
Purchase of intangible assets	13	(198)	(139)
Net cash used in investing activities		(626)	(771)
Cash flow from financing activities			
Repayments of borrowings	19	(224)	(224)
Proceeds from grants	20	15	45
Net cash generated from financing activities		(209)	(179)
Net (decrease)/increase in cash and cash equivalents		(194,605)	91,621
The effect of foreign exchange rate (in cash and its equivalents)		1,392	(189)
Cash and cash equivalents at 1 January		732,056	640,624
Cash and cash equivalents at 31 December	30	538,843	732,056

The accompanying Notes 1 to 33 form an integral part of these financial statements.

1. The Reporting Entity

The Central Bank of the Republic of Kosovo (hereinafter referred to as “CBK” or the “Central Bank”), the successor to the Central Banking Authority of Kosova, is an independent legal entity with full legal capacity under the laws applicable in the Republic of Kosovo. The CBK is a distinct public institution with the authority to license, supervise, and regulate financial institutions within the Republic of Kosovo.

The CBK operates in accordance with Law No. 03/L-209 on the Central Bank of the Republic of Kosovo (hereinafter referred to as the “Law on CBK”). Pursuant to this law, the principal objectives of the CBK are to:

- Foster and maintain a stable financial system, including a safe, sound, and efficient payment system;
- Contribute to achieving and maintaining domestic price stability;
- Support the general economic policies of the Government.

As stipulated by the Law on CBK, the Central Bank shall act in accordance with the principles of an open market economy and free competition, promoting the efficient allocation of resources.

The CBK operates from its premises located in Prishtina. The address of its registered office is:

Garibaldi Street, No. 33
Prishtina, Republic of Kosovo.

Central Bank Board, Executive Board and Governor (decision-making bodies)

The decision-making bodies of the CBK are the Central Bank Board, the Executive Board, and the Governor. In accordance with Article 34, paragraph 2, and the temporary provision of Article 79, paragraph 2, of the Law on the CBK, the Central Bank Board consists of four non-executive members and the Governor. It is responsible for supervising the implementation of policies, as well as overseeing the administration and operations of the CBK.

As of 31 December 2024, the Central Bank Board was composed of the following members:

- Bashkim Nurboja – Chairman of the Board (non-executive member)
- Ahmet Ismaili – Governor
- Nora Latifi Jashari – Member (non-executive member)
- Nexhat Kryeziu – Member (non-executive member)
- Arta Hoxha – Member (non-executive member)

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- Arta Hoxha – Member (non-executive member)
- Nexhat Kryeziu – Member (non-executive member)

On 5 February 2023, Mr. Bashkim Nurboja was elected Chairman of the Board, following the expiration of Mr. Mrasori's mandate.

From 29 March 2023 to August 2023, the CBK Board, pursuant to Article 46 of the Law on the CBK, assumed the powers of the Executive Board in accordance with the provisions of this article. In August 2023, the new Executive Board members were elected, and the CBK Board members returned to their respective appointments as members of the Central Bank Board.

Since August 2023, both decision-making bodies of the CBK have been fully functional.

1. The Reporting Entity (continued)

Definitions of Article 46 of the Law on CBK:

“Article 46 - In the event of exceptional circumstances and if all members of the Executive Board are absent or unable to act, the office of Governor shall be taken temporarily by the Chairman of the Central Bank Board. The two (2) most senior, and available, non-executive members of the Central Bank Board will temporarily take over the office of the Deputy Governors.

2. In the event the absence or inability to act of all members of the Executive Board continues for a period of three (3) months, vacancies shall have been deemed to be created and the procedures for appointment in Article 38 of this Law shall apply.”

The Executive Board is responsible for implementing the policies and overseeing the operations of the Central Bank of Kosovo (CBK).

As of 31 December 2024, the Executive Board comprised the Governor, who serves as the Chairman, and three Deputy Governors.

As of 31 December 2023, the Executive Board consisted of the Governor and one Deputy Governor, with two Deputy Governor positions vacant.

Additionally, as of 1 January 2023, the Executive Board consisted of the Governor and an Acting Deputy Governor.

2. Basis of preparation

a) Statement of compliance

The financial statements have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB).

b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments, debt and equity financial assets and contingent consideration that have been measured at fair value. The detailed measurement basis is presented in note 3.

c) Functional and presentation currency

The financial statements are presented in Euros and all values are rounded to the nearest thousand Euros (000), except when otherwise indicated.

d) Use of estimates and judgments

In preparing these financial statements, management has exercised judgments, made estimates, and applied assumptions that influence the implementation of policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may vary from these estimates.

Estimates and assumptions are continuously reviewed. Revisions to accounting estimates are accounted for in the period of the revision and in subsequent periods if applicable. Details of significant areas of estimation uncertainty and critical judgments in applying accounting policies, which have a substantial impact on the amounts reported in the financial statements, are provided in note 5.

The accounting policies outlined below have been applied consistently across all periods presented in these financial statements.

e) Circumstances for the performance of Central Bank operations in 2024

In 2024, inflation had a moderate impact on the consumer price index and overall price increases, in contrast to the inflation experienced in 2023, which was marked by significant price increases. These were driven by a combination of domestic and international factors, primarily the ongoing war in Ukraine and rising energy prices.

The impact of inflation on CBK's operational activities in 2024 was relatively limited. However, interest rates experienced a significant increase during the year. The value of CBK's financial assets was not directly affected by rising interest rates due to the nature of the CBK's financial instruments portfolio. The increase in interest rates positively influenced interest income, contributing to growth in net interest income. This trend enabled CBK to achieve improved financial results in 2024 and bolster its financial stability.

The war in Ukraine, the strengthening of international sanctions against the Russian Federation, and the Middle East conflict did not have a significant impact on CBK's activities or financial results during the reporting period. Nevertheless, CBK continues to closely monitor these developments and remains vigilant to their potential effects on the economy and financial stability of the Republic of Kosovo.

3. Material accounting policies

f) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction dates. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the exchange rate applicable on the reporting date. The foreign currency gain or loss on monetary items represents the difference between the amortized cost in the functional currency at the beginning of the period (adjusted for effective interest and payments during the period) and the amortized cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using the exchange rate prevailing on the date of the transaction. Foreign currency differences are typically recognized in profit or loss and presented under finance costs.

3. Material accounting policies (continued)

g) Interest income or expense

Interest income or expense is recognized using the effective interest method. The 'effective interest rate' is the rate that discounts estimated future cash payments or receipts over the expected life of a financial instrument to:

- The gross carrying amount of financial assets, or
- The amortized cost of financial liabilities.

The effective interest rate is determined at the initial recognition of a financial asset or liability and is not revised subsequently.

Transaction costs include those directly attributable to the acquisition, issuance, or disposal of an asset or financial liability. Interest income or expense reported in profit or loss includes interest from financial assets or liabilities measured at amortized cost using the effective interest method.

a) Fees and commissions

Revenues and expenses from fees and commissions that are integral to the calculation of the effective interest rate on a financial asset or liability are included in the determination of the effective interest rate.

Other revenues from commissions and fees, including transaction fees for operating accounts, fund transfers, and licensing fees, are recognized as the related services are performed. Similarly, other expenses related to commissions and fees primarily pertain to transaction and service fees, which are recognized as the services are received.

b) Employee benefits

CBK applies compulsory social insurance contributions that provide pension benefits to employees upon retirement. These contributions are classified as defined contribution plans, in accordance with Kosovo legislation. CBK's contributions are charged to profit or loss as they are incurred.

In addition, CBK employees are entitled to jubilee benefits and a predetermined amount upon retirement. The liability for post-employment benefits is calculated annually and charged to profit or loss.

c) Taxation and profit allocation

CBK is exempt from profit tax under Law No. 03/L-209, approved on July 22, 2010. Note 4(f) provides details on CBK's profit allocation method.

d) Financial assets and liabilities

Financial assets are measured at amortized cost (hold-to-collect model) and include cash and cash equivalents, securities, deposit accounts with non-resident banks, IMF-related assets, and other assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL (Fair Value Through Profit or Loss):

- The asset is held within a business model whose objective is to hold the asset to collect contractual cash flows; and
- The contractual terms of the financial asset specify cash flows on particular dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

CBK liabilities are measured at amortized cost and include amounts due to domestic banks, government institutions, public and commercial entities, IMF-related accounts, loans, and other financial liabilities. Income or expenses from financial liabilities measured at amortized cost are recognized in profit or loss.

3. Material accounting policies (continued)

i) Recognition

Financial assets and liabilities are initially recognized when CBK becomes a party to the contractual provisions of the instrument. Upon initial recognition, a financial asset is classified for subsequent measurement as either:

- Amortized cost (AC),
- Fair value through other comprehensive income (FVOCI), or
- Fair value through profit or loss (FVTPL).

A financial asset or liability is initially measured at fair value, adjusted for transaction costs directly attributable to its acquisition or issuance, except for items measured at fair value through profit or loss (FVTPL).

i. Reclassification

CBK's financial assets may be reclassified after their initial recognition if CBK changes the business model governing the financial assets and their measurement.

If CBK reclassifies a financial asset or a group of financial assets from the amortized cost measurement method to the fair value measurement method through profit or loss, their fair value will be determined on the reclassification date. Any net gain or loss resulting from the difference between the amortized cost and the fair value of the financial asset is recognized in profit or loss.

ii. Derecognition

CBK derecognizes a financial asset when the contractual rights to its cash flows expire, or when it transfers the rights to receive the cash flows in a transaction where substantially all risks and rewards of ownership are transferred. Alternatively, derecognition occurs if CBK neither transfers nor retains substantially all risks and rewards of ownership and does not retain control of the financial asset.

Upon derecognition of a financial asset, the difference between the carrying amount of the asset (or the portion of the asset that is derecognized) and the sum of the following is recognized in profit or loss:

- (i) The consideration received, including any new asset acquired or liability assumed, and
- (ii) Any cumulative gain or loss previously recognized in other comprehensive income.

New or retained contractual rights to transferred financial assets that qualify for derecognition are recognized as a separate asset or liability.

Transactions in which CBK transfers assets recognized in the statement of financial position but retains substantially all the risks and rewards of the transferred assets (or a portion thereof) are not derecognized (e.g., securities lending and sale-and-repurchase transactions).

In cases where CBK neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset but retains control over the asset, CBK continues to recognize the asset to the extent of its ongoing involvement, as determined by its exposure to changes in the value of the transferred asset.

CBK derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

iii. Changes in financial assets and liabilities

If the terms of a financial asset are modified, CBK assesses whether the cash flows of the modified asset differ substantially from the original. If the cash flows are substantially different, the contractual rights to cash flows from the original financial asset are considered expired. In such cases, the original financial asset is derecognized (refer to Section (iii)), and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, the modification does not result in derecognition of the financial asset. Instead, CBK recalculates the gross carrying amount of the financial asset, recognizing any adjustments as a modification gain or loss in profit or loss. If the modification arises due to the borrower's financial difficulties, the gain or loss is presented alongside impairment losses. Otherwise, it is presented as interest income.

3. Material accounting policies (continued)

iii. Changes in financial assets and liabilities (continued)

CBK derecognizes a financial liability if its terms are modified and the cash flows of the modified liability are substantially different. In such cases, a new financial liability, based on the modified terms, is recognized at fair value. The difference between the carrying amount of the extinguished financial liability and the new financial liability under modified terms is recorded in profit or loss. If the modification of a financial liability does not result in derecognition, the amortized cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate, and the resulting gain or loss is recognized in profit or loss.

iv. Offsetting

Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position only when CBK has the legal right to set off these amounts and intends to either settle them on a net basis or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by accounting standards or for profits and losses arising from a group of similar transactions.

v. Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which it is initially recognized, adjusted for principal repayments, plus or minus the cumulative amortization of any difference between the initial recognized amount and the maturity amount, calculated using the effective interest method, and reduced by any impairment-related discounts.

vi. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

When available, CBK measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is considered active if quoted prices are readily and regularly available and represent actual, frequently occurring market transactions conducted on an arm's length basis.

If a market for a financial instrument is not active, CBK determines its fair value using a valuation technique. Valuation techniques may include the use of the most recent arm's length transactions between knowledgeable and willing parties (if available), reference to the current fair value of substantially similar instruments, discounted cash flow analyses, or option pricing models.

The selected valuation technique maximizes the use of market inputs, minimizes reliance on CBK-specific estimates, incorporates all factors that market participants would consider in determining a price, and adheres to accepted economic methodologies for pricing financial instruments. Inputs used in valuation techniques reasonably represent market expectations and the risk-return factors inherent in the financial instrument.

CBK regularly calibrates its valuation techniques and tests their validity using prices derived from observable current market transactions in the same instrument or from other available market data.

viii. Expected Credit Losses

CBK recognizes loss allowances for expected credit losses (ECL) for financial assets measured at amortized cost. Loss allowances are measured at an amount equal to lifetime ECL, except in the following cases, where they are measured as 12-month ECL:

- Debt investment securities determined to have low credit risk at the reporting date.
- Other financial instruments for which the credit risk has not increased significantly since initial recognition.

CBK considers a debt security to have low credit risk if its credit rating is equivalent to the globally recognized definition of "investment grade."

3. Material accounting policies (continued)

viii. Expected Credit Losses (continued)

12-month ECL represents the portion of ECL arising from possible default events within 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognized are categorized as Stage 1 financial instruments.

Lifetime ECL represents the ECL arising from all possible default events over the expected life of a financial instrument. Financial instruments for which a lifetime ECL is recognized, but are not credit-impaired, are classified as "Stage 2 - Underperforming financial instruments.

Measurement of ECL

The ECL impairment model is a probability-based measurement which includes the impact of different possible outcomes and it is based on a complex calculation method of the economic scenarios.

CBK calculates the ECL (Expected credit losses) by using to the following formula:

$$\text{Expected credit loss (ECL)} = \text{Exposure at default (EAD)} \times \text{Loss given default (LGD)} \times \text{Probability of default (PD)}$$

EAD - Exposure at default is an estimate of CBK's exposure to its counterparty at the time of default.

LGD - Loss Given Default (LGD) refers to the projected loss incurred in the event of a default. CBK bases its assessments on internal judgment and also utilizes several risk approaches, as defined under Basel standards, to evaluate borrowers who fail to meet their obligations.

PD - Probability of default, is the most sensitive variable and represents the probability of non-payment by the other party for an observed period (12 months or throughout the life of the instrument).

ECL - Expected credit loss is the probability-weighted estimate of credit losses and it is measured as follows:

- For financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e., the difference between the contractual cash flows due to CBK and the cash flows that CBK expects to receive);
- For financial assets that are credit-impaired at the reporting date: as the difference between the asset's gross carrying amount and the present value of estimated future cash flow.

g) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash balances on hand, demand deposits with banks, and highly liquid financial assets with original maturities of less than three months, which are subject to an insignificant risk of changes in fair value and are used by CBK to manage short-term commitments. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

h) Investment securities

Investment securities, consisting of Treasury Bills and Government Bonds, are initially recognized at fair value plus incremental direct transaction costs. Subsequently, they are measured at amortized cost under the "hold to collect" business model, applying the effective interest rate method. All purchases and sales of investment securities are recognized on the settlement date, being the date the asset is received or delivered.

Financial assets classified under amortized cost/hold-to-collect are non-derivative instruments with fixed or determinable payments and fixed maturities, for which CBK has both the positive intent and the ability to hold to maturity, and which are not designated at fair value through profit or loss.

i) Deposits and borrowings

Deposits and borrowings are initially measured at fair value minus incremental direct transaction costs and are subsequently measured at amortized cost using the effective interest rate method.

3. Material accounting policies (continued)

j) IMF related assets and liabilities

The financial position with the International Monetary Fund (IMF) is fully reflected in CBK's balance sheet. IMF-related assets and liabilities are initially recognized at fair value and subsequently measured at amortized cost.

Exchange rate gains and losses arising from the revaluation of IMF-related assets and liabilities are recognized in the statement of comprehensive income.

j) Property and equipment

i. Recognition and measurement

Items of property and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

The cost includes expenses directly attributable to the acquisition of the asset. For CBK self-constructed assets, the cost encompasses materials, direct labor, and any other expenses necessary to bring the asset to

a functional condition for its intended use, including the costs of dismantling, removing the items, and restoring the site where they are located.

Purchased software that is integral to the operation of the related equipment is capitalized as part of that equipment.

When different parts of an item of property and equipment have varying useful lives, they are treated as separate items (major components) of property and equipment.

k) Property and equipment (continued)

ii. Subsequent costs

The cost of replacing a part of an item of property or equipment is included in the carrying amount of the item if it is probable that the future economic benefits associated with the replaced part will flow to CBK and the cost can be measured reliably. However, the expenses for routine maintenance and servicing of property and equipment are recognized in profit or loss as incurred.

iii. Depreciation

Depreciation is recognized in profit or loss using the straight-line method over the estimated useful lives of each component of an item of property and equipment.

The estimated useful lives for the current and comparative periods are as follows:

	2024	2023
Leasehold improvements	20 years	20 years
Equipment	5 years	5 years
Computers	3 years	3 years
Vehicles	5 years	5 years

The useful life of other equipment is evaluated on a case-by-case basis. The depreciation method, useful life, and residual value are reviewed and reassessed at each reporting date.

l) Intangible assets

Software acquired by CBK is recorded at cost, less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure on software is capitalized only if it enhances the future economic benefits associated with the specific asset. All other expenditures are recognized as incurred.

3. Material accounting policies (continued)

l) Intangible assets (continued)

Amortization is charged to profit or loss on a straight-line basis over the estimated useful life of the software, beginning from the date it becomes available for use. The useful life of each software asset is assessed based on its expected utilization without significant upgrades, which is currently estimated to range from 3 to 10 years.

The amortization method, useful life, and residual value are reviewed and reassessed at each reporting date.

m) Impairment of non-financial assets

The carrying amounts of CBK's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognized in the profit or loss. Impairment losses in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and asset-specific risks. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. The impairment loss is reversed to the extent the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

n) Financial liabilities

CBK's funding sources include deposits from international, governmental, public, banking, and other financial institutions. Financial liabilities are measured at amortized cost using the effective interest method.

o) Grant revenue

Government grants are initially recognized as deferred revenue when there is reasonable assurance that they will be received and that the CBK will comply with the conditions associated with the grant. Grants that compensate CBK for expenses incurred are recognized in profit or loss on a systematic basis in the same periods in which the expenses are recognized. Grants that compensate CBK for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset.

p) Donor funded salaries

Certain individuals engaged at CBK are international experts appointed and funded for a short term by international organizations. Funding from these international organizations includes, but is not limited to, the payment of salaries to these international experts. As this assistance is paid by the international organizations directly to the appointee, the extent of the payments is not known nor are they included in these financial statements.

q) Provisions

A provision is recognized if, as a result of past events, CBK has present legal or constructive obligations that can be reliably estimated, and it is probable that an outflow of cash or economic benefits will be required to settle the obligation. Provisions are calculated by discounting the expected future cash flows at a pre-tax rate that reflects the market's current assessment of the time value of money and, where applicable, the specific risks related to the liabilities.

The provision for onerous contracts is recognized when the expected benefits to CBK from a contract are less than the unavoidable costs of fulfilling the contractual obligations. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing the contract. Before establishing a provision, CBK recognizes any impairment loss on the assets associated with the contract.

3. Material accounting policies (continued)

r) Standards, amendments and interpretations that are already effective.

In the current year, the Company has implemented several amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB). These amendments are mandatorily effective for accounting periods beginning on or after January 1, 2024.

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases);
- Classification of Liabilities as Current or Non-Current (including the Deferral of Effective Date) (Amendments to IAS 1 Presentation of Financial Statements);
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements);
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures).

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to materially affect the current or future periods.

s) Standards, amendments and interpretation issued but not yet effective

The new and amended standards and interpretations that have been issued but are not yet effective as of the date of these financial statements are outlined below. CBK intends to adopt these new and amended standards and interpretations, where applicable, when they become effective.

The following amendments are not effective for the period beginning on January 1, 2024:

- Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates);
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments);
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7);
- IFRS 18 Presentation and Disclosure in Financial Statements;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

These standards, amendments or interpretations are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

The Central Bank has decided not to apply these standards, revisions, and interpretations before their effective date. It anticipates that their application will not have a significant impact on its financial statements. However, their full impact will be reassessed when a decision is made regarding their implementation.

4. Financial risk management

a) Introduction and overview

CBK is exposed to the following risks arising from its activities and the use of financial instruments:

- Credit risk
- Operational risk
- Liquidity risk
- Market risk

This note provides details about CBK's exposure to these risks, along with its objectives, policies; and procedures for measuring and managing risk. It also outlines CBK's approach to administering activities and capital. Additional qualitative and quantitative disclosures are included throughout these financial statements."

Risk Management Framework

The Central Bank Board holds overall responsibility for overseeing the administration of CBK's activities, including risk management. The Executive Board is responsible for identifying and assessing risks and preparing plans to ensure the continuity of operations and the security of the Central Bank in the event of unforeseen circumstances.

CBK management provides regular reports, on a quarterly basis, through the Risk Management Department and the CBK Executive Board to the Central Bank Board on risk management and administration practices. The Executive Board, the Investments Committee, and the Risk Management Department are tasked with developing and monitoring CBK's risk management and administration policies in collaboration with the organizational units. These policies are then implemented by the relevant organizational units.

CBK's risk management and administration policies are designed to identify and analyze the risks CBK encounters, establish appropriate risk controls and limits, and monitor risks and compliance with those limits. These policies and systems are periodically reviewed to reflect changes in market conditions, products, and services offered. Through training programs, management standards, and procedures, CBK fosters a disciplined and constructive control environment in which employees fully understand their roles and responsibilities.

CBK's Audit Committee is tasked with monitoring and reviewing compliance with risk management policies and procedures, as well as evaluating the adequacy of the risk management framework in relation to the risks CBK faces. The Audit Committee is supported in these duties by the Internal Audit Department, which conducts regular and ad hoc audits of risk management controls and procedures. The results of these audits are reported by the Chief Internal Auditor to the Audit Committee and subsequently to the Central Bank Board.

b) Credit risk

Credit risk refers to the potential financial loss to CBK if a counterparty to financial instruments fails to fulfill its contractual obligations. This risk primarily arises from CBK's investments in securities and deposits (whether in money markets or current accounts) with other banks.

For credit risk management reporting purposes, CBK considers and consolidates all elements of credit risk exposure, including individual obligor default risk, as well as country and sector risks.

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4. Financial risk management(continued)

b) Credit risk (continued)

Credit risk management

i. Investments and credit risk exposure at CBK

CBK mitigates its credit risk exposure by investing exclusively in securities issued by EU governments and in deposits with foreign banks whose short-term liabilities are rated within the two highest categories by internationally recognized credit rating agencies. Due to these high credit ratings, the management does not anticipate any of the counterparties failing to meet their obligations.

Risk management is carried out through:

- Limiting the scope and duration of financial instruments,
- Restricting counterparty issuers to those with an acceptable credit rating of investment grade or higher,
- Setting limits on the maximum amount and concentration of exposure with counterparties.

ii. Exposure to credit risk

Exposure to credit risk as of 31 December 2024 and 31 December 2023 is represented by the carrying value of current accounts with foreign banks, securities (Treasury bills and bonds), and deposits with banks (including both resident and non-resident banks). For further details on exposure, please refer to notes 8, 9, and 10.

The credit ratings for the financial instruments to which CBK is exposed for the period ending on 31 December 2024 range from AAA to BB-, Aaa to Baa3, and AAA to BBB-.

The following table presents the carrying values of exposure to credit risk, categorized by credit rating and expressed as a percentage of the total.

Distribution by type and credit rating

31 December 2024						
Credit rating (S&P/Moody's/Fitch)	Current accounts with non- resident banks	Money market placemen ts	Securities (Treasury Bills and Governmen t Bonds)	IMF related accounts (SDR holding and use of funds)	Total carrying value	% of total weight
AAA/Aaa/AAA	104,510	271,246	176,138	-	551,894	35.20%
AA+/Aa1/AA+	-	-	137,974	-	137,974	8.81%
AA/Aa2/AA	374	20,231	-	-	20,605	1.32%
AA-/Aa3/AA-	10,170	-	163,465	-	173,635	11.08%
A+/A1/A+	2,928	120,530	-	-	123,458	7.88%
A/A2/A	7,221	25,043	15,507	-	47,771	3.05%
A-/A3/A-	21,460	50,373	29,989	-	101,822	6.49%
BBB-/Baa3/BBB-	1,012	-	36,700	-	37,712	2.41%
BB-/Ba3/BB	-	19,479	172,789	-	192,268	12.26%
N/A (unrated - IFI)	-	-	-	180,189	180,189	11.50%
Total	147,675	506,902	732,562	180,189	1,567,328	100.00%

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4. Financial risk management (continued)

b) Credit risk (continued)

Distribution by type and credit rating

31 December 2023						
Credit rating (S&P/Moody's/Fitch)	Current accounts with non- resident banks	Money market placemen ts	Securities (Treasury Bills and Governmen t Bonds)	IMF related accounts (SDR holding and use of funds)	Total carrying value	% of total weight
AAA/Aaa/AAA	387,109	180,216	143,868	-	711,193	46.59%
AA+/Aa1/AA+	-	-	129,489	-	129,489	8.48%
AA-/Aa3/AA-	-	-	190,575	-	190,575	12.48%
A+/A1/A+	6,023	-	-	-	6,023	0.39%
A/A2/A	21,178	-	15,658	-	36,836	2.41%
A-/A3/A-	10,534	25,064	200,755	-	236,353	15.48%
BBB-/Baa3/BbbB-	-	-	37,836	-	37,836	2.48%
N/A (unrated - IFI)	-	-	-	178,261	178,261	11.69%
Total	424,844	205,280	718,181	178,261	1,526,566	100.00%

None of CBK's exposures are overdue. CBK does not hold any collateral or other forms of credit enhancements against its exposure to credit risk.

The primary criterion for determining exposure is the credit rating, which is obtained from credit rating agencies. The minimum credit rating required for short-term investments is P-2 (Moody's) or A-2 (Standard & Poor's), while for long-term investments, it is Baa3 (Moody's) or BBB (Standard & Poor's).

In exceptional circumstances where achieving positive returns is not feasible, investment exposure is allowed with a short-term credit rating of P-3 (Moody's) or A-3 (Standard & Poor's) and a long-term credit rating of Ba3 (Moody's) or BB- (Standard & Poor's).

The impairment model for financial assets is based on common characteristics of credit risk, specifically changes in credit risk since the initial recognition of financial assets. It defines three stages for evaluating expected credit losses, summarized as follows:

Stage 1 (Performing): Financial assets classified as low or medium risk exposure are included in this phase at initial recognition. According to CBK's internal procedures, CBK is prohibited from investing in higher-risk exposures, so all investments at initial recognition are allocated to Stage 1 exposure.

Stage 2 (Underperforming): Financial assets are moved from Stage 1 to Stage 2 when there is a significant increase in credit risk since initial recognition.

Stage 3 (Non-performing): Assets are moved to Stage 3 only when objective evidence exists indicating that the counterparty is likely to default on its obligations.

Evaluations are conducted at initial recognition and at the reporting date. The model used for Stage 1 is based on a 12-month expected credit loss assessment, but it may vary depending on the composite level of credit exposure, significant changes in credit risk growth, or a credit-impaired financial asset portfolio.

A significant increase in credit risk, as the criterion for moving from Stage 1 to Stage 2, is indicated when a portfolio's credit rating drops from investment grade to non-investment grade.

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4. Financial risk management (continued)

b) Credit risk (continued)

Definition of default:

Default criteria are determined based on objective evidence, such as:

- Debtors experiencing significant financial difficulties,
- Breaches of contractual obligations related to principal or interest payments,
- Restructuring of existing terms for fulfilling obligations under a financial instrument,
- Clear evidence or probability of bankruptcy or liquidation,
- Signs of inactivity in trading (within financial markets).

The following table presents the exposure values by stages. As of the reporting date, CBK has not experienced any significant changes in credit risk since initial recognition; therefore, all financial assets remain classified under Stage 1.

	2024 ²			2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Current accounts with non-resident banks	147,675	-	-	426,194	-	-
Securities (Treasury bills and Government bonds)	732,562	-	-	718,181	-	-
Money market placements	506,902	-	-	205,280	-	-
Gross carrying amount	1,387,139	-	-	1,349,655	-	-
Expected credit losses (ECL)	(606)	-	-	(512)	-	-
Net carrying amount	1,386,533	-	-	1,349,143	-	-

The movements in the respective ECL related to the financial assets to which CBK is exposed are as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	512	-	-	512
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
ECL (decrease) / increase for the year	94	-	-	94
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-
Unwind of discount (recognized in interest income)	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Foreign exchange adjustments	-	-	-	-
On 31 December 2024	606	-	-	606

²Financial instruments associated with IMF-related accounts are excluded from both the reporting year (2024) and the comparative year. This exclusion is based on the assessment that this group does not constitute an exposure requiring allowances for expected credit losses (ECL).

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4. Financial risk management (continued)

b) Credit risk (continued)

	2023			
	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2023	459	-	-	459
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
ECL (decrease)/increase for the year	53	-	-	53
Impact on year end ECL of exposures transferred between stages during the year	-	-	-	-
Unwind of discount (recognized in interest income)	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Foreign exchange adjustments	-	-	-	-
On 31 December 2023	512	-	-	512

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4. Financial risk management(continued)

c) Liquidity risk

Liquidity risk refers to the possibility that CBK might face difficulties in meeting its financial liabilities in a timely manner.

Management of Liquidity Risk

CBK's approach to managing liquidity is focused on ensuring, as far as possible, that sufficient liquidity is always available to meet its obligations on time, both under normal and adverse conditions, without incurring unacceptable losses or risking harm to CBK's reputation.

Policies for monitoring and addressing liquidity risk are established by the CBK Executive Board. Liquidity risk is managed by investing in short-term deposits with non-resident banks and maintaining adequate cash reserves in CBK's vaults. These policies are designed to guarantee that even in unfavorable conditions, CBK can fulfill its obligations.

CBK monitors its daily liquidity position and conducts regular liquidity stress tests under various scenarios, ranging from normal market conditions to more severe ones. All liquidity policies and procedures undergo review and approval by CBK management. Additionally, monthly reports on CBK's liquidity position are regularly prepared and submitted to the Investment Committee by the Asset Management Department.

Exposure to liquidity risk

Residual contractual maturities of financial assets and liabilities, excluding future interest payments:

	Note	current items		non-current items			
		Net carrying amount	Less than 1 month	1-3 months	3 mon. to 1 year	1 year to 5 years	Over 5 years
31 December 2024							
<i>Non-derivative assets</i>							
Cash on hand		77,017	77,017	-	-	-	-
Current accounts with foreign banks	8	147,633	147,633	-	-	-	-
Securities	9	732,562	-	68,521	124,312	533,085	6,644
Money market placements	10	506,902	335,402	171,500	-	-	-
Accounts in IMF	11	179,206	153,951	-	-	-	25,255
		1,643,320	714,003	240,021	124,312	533,085	31,899
<i>Non-derivative liabilities</i>							
Due to domestic commercial banks	15	(656,260)	(656,260)	-	-	-	-
Due to IMF related accounts	16	(168,887)	(68)	-	-	-	(168,819)
Due to governmental institutions	17	(575,251)	(575,251)	-	-	-	-
	18	(104,611)	(104,611)	-	-	-	-
Due to public and commercial entities							
Borrowing	19	(1,484)	-	(114)	(114)	(913)	(343)
Other domestic liabilities	20	(760)	(760)	-	-	-	-
		(1,507,253)	(1,336,950)	(114)	(114)	(913)	(169,162)
		136,067	(622,947)	239,907	124,198	532,172	(137,263)

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4. Financial Risk Management (continued)

c) Liquidity risk (continued)

		current items		non-current items			
31 December 2023		Net carrying amount	Less than 1 month	1-3 months	3 mon. to 1 year	1-5 years	Over 5 years
		Note					
<i>Non-derivative assets</i>							
Cash on hand			101,932	101,932	-	-	-
Current accounts with foreign banks	8		426,077	426,077	-	-	-
Securities	9		717,814	42,170	74,273	267,436	333,935
Money market placements	10		205,252	130,184	75,068	-	-
Assets in IMF	11		177,049	152,619	-	-	24,430
			1,628,124	852,982	149,341	267,436	333,935
							24,430
<i>Non-derivative liabilities</i>							
Due to domestic commercial banks	15		(590,622)	(590,622)	-	-	-
Due to IMF related accounts	16		(163,808)	(6)	-	-	(163,802)
Due to governmental institutions	17		(511,903)	(511,903)	-	-	-
Due to public and commercial entities	18		(240,202)	(240,202)	-	-	-
Borrowings	19		(1,662)	-	(111)	(111)	(886)
Other domestic liabilities	20		(758)	(758)	-	-	-
			(1,508,955)	(1,343,491)	(111)	(111)	(886)
							(164,356)
			119,169	(490,509)	149,230	267,325	333,049
							(139,926)

To manage liquidity risk arising from financial liabilities, CBK maintains liquid assets, including cash and cash equivalents, as well as securities that are actively traded in liquid markets.

Market risk refers to the potential impact of changes in market prices, such as interest rates, equity prices, foreign exchange rates, and credit risk (excluding changes in the borrower's or issuer's credit status), on CBK's income or the value of the financial instruments it holds.

The objective of market risk management is to control and mitigate market risk exposures within acceptable limits while maximizing the return on investments.

Management of market risks

CBK's operations are exposed to the risk of interest rate fluctuations, which arise when interest-bearing assets and liabilities mature or are repriced at different times or amounts. For floating rate assets and liabilities, there is a basic risk exposure resulting from differences in the repricing characteristics of various floating rate indices.

Risk management activities aim to optimize net interest income by aligning it with market interest rate levels, consistent with CBK's operational strategies. CBK's exposure to market risk is exclusively related to its non-trading portfolios.

Exposure to interest rate risk – non-trading portfolios

The primary risk to which non-trading portfolios are exposed is the potential loss arising from fluctuations in future cash flows or the fair values of financial instruments due to changes in market rates. Interest rate risk is primarily managed by monitoring interest rate differentials and adhering to pre-approved limits for re-evaluation intervals. The Investment Committee is responsible for overseeing the implementation of these limits.

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A summary of CBK's interest rate gap position for non-trading portfolios is provided in the table below.

Exposure to interest rate risk – non-trading portfolios

31 December 2024	Note	Net carrying amount	Less than 3 months	3-6 months	6-12 months	1-5 years	Over 5 years
Current accounts with foreign banks	8	147,633	147,633	-	-	-	-
Securities (bonds and treasury bills)	9	732,562	9,583	-	4,781	652,294	65,904
Money market placements	10	506,902	305,261	201,641	-	-	-
Assets in IMF related accounts	11	176,459	153,951	-	-	-	22,508
Total		1,563,556	616,428	201,641	4,781	652,294	88,412
Due to domestic banks	15	(656,260)	(656,260)	-	-	-	-
Due to IMF related accounts	16	(168,887)	(68)	-	-	-	(168,819)
Due to governmental institutions	17	(575,251)	(575,251)	-	-	-	-
Due to public and commercial entities	18	(104,611)	(104,611)	-	-	-	-
Borrowings	19	(1,484)	-	-	-	-	(1,484)
Other domestic liabilities	20	(760)	(760)	-	-	-	-
Total		(1,507,253)	(1,336,950)	-	-	-	(170,303)
Difference		56,303	(720,522)	201,641	4,781	652,294	(81,891)

31 December 2023	Note	Net carrying amount	Less than 3 months	3-6 months	6-12 months	1-5 years	Over 5 years
Current accounts with foreign banks	8	426,077	426,077	-	-	-	-
Securities (bonds and treasury bills)	9	717,814	116,443	103,538	163,899	333,934	-
Money market placements	10	205,252	205,252	-	-	-	-
Assets in IMF related accounts	11	174,384	152,619	-	-	-	21,765
Total		1,523,527	900,391	103,538	163,899	333,934	21,765
Due to domestic banks	15	(590,622)	(590,622)	-	-	-	-
Due to IMF related accounts	16	(163,808)	(6)	-	-	-	(163,802)
Due to governmental institutions	17	(511,903)	(511,903)	-	-	-	-
Due to public and commercial entities	18	(240,202)	(240,202)	-	-	-	-
Borrowings	19	(1,662)	-	-	-	-	(1,662)
Other domestic liabilities	20	(758)	(758)	-	-	-	-
Total		(1,508,955)	(1,343,491)	-	-	-	(165,464)
Difference		14,572	(443,100)	103,538	163,899	333,934	(143,699)

Financial assets and liabilities that do not bear interest are excluded from the table above.

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4. Financial risk management (continued)

(d) Market risks (continued)

Overall, non-trading interest rate risk is managed by the Asset Management Department, which utilizes investment securities and bank deposits to mitigate the risks arising from CBK's non-trading activities.

Management of interest rate risk within interest rate gap limits is further supported by monitoring the sensitivity of CBK's financial assets and liabilities under various standard and non-standard interest rate scenarios. Regularly assessed standard scenarios include a 100-basis point ("bps") parallel increase or decrease across all yield curves.

An analysis of CBK's sensitivity to changes in market interest rates (assuming symmetrical movements in yield curves and a stable financial position) is presented as follows:

2024		
	100 bps Increase	100 bps Decrease
Estimated profit (loss) effect	563	(563)
2023		
	100 bps Increase	100 bps Decrease
Estimated profit (loss) effect	146	(146)

Exposure to Other Market Risks/Currency Risks in Non-Trading Portfolios

CBK is exposed to Special Drawing Rights (SDR) through its IMF-related assets and liabilities, as well as to USD through its assets in current accounts with non-resident banks and investments in dollar-denominated securities. This exposure is monitored on an ongoing basis.

CBK's exposure to foreign currency risk is detailed as follows:

2024	SDR		USD	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
Estimated profit (loss) effect	(118)	118	209	(209)
2023				
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
Estimated profit (loss) effect	(75)	75	99	(99)

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4. Financial risk management (continued)

(d) Market risks (continued)

31 December 2024	Euro	USD (Equivalent in EUR)	SDR (Equivalent in EUR)	Total net carrying amount
Assets				
Cash on hand	77,017	-	-	77,017
Current accounts with foreign banks	147,187	446	-	147,633
Securities (Treasury bills and bonds)	717,731	14,363	-	732,094
Money market placements	462,327	44,479	-	506,806
Assets with the IMF related accounts	983	-	179,206	180,189
Other assets	2,673	-	-	2,673
Total	1,407,918	59,288	179,206	1,646,412
Liabilities				
Due to domestic banks	656,260	-	-	656,260
Due to IMF related accounts	1,067	-	189,488	190,555
Due to governmental institutions	536,845	38,406	-	575,251
Due to public and commercial entities	104,611	-	-	104,611
Borrowings	-	-	1,484	1,484
Other domestic liabilities	2,869	-	-	2,869
Total	1,301,652	38,406	190,972	1,531,030
Net foreign currency position	106,266	20,882	(11,766)	115,382

31 December 2023	Euro	USD (Equivalent in EUR)	SDR (Equivalent in EUR)	Total net carrying amount
Assets				
Cash on hand	101,932	-	-	101,932
Current accounts with foreign banks	425,818	259	-	426,077
Securities (Treasury Bills and Bonds)	713,321	4,493	-	717,814
Money market placements	200,094	5,158	-	205,252
Assets with the IMF related accounts	1,212	-	177,049	178,261
Other assets	2,476	-	-	2,476
Total	1,444,853	9,910	177,049	1,631,812
Liabilities				
Due to domestic banks	590,622	-	-	590,622
Due to IMF related accounts	1,291	-	182,926	184,217
Due to governmental institutions	511,903	-	-	511,903
Due to public and commercial entities	240,202	-	-	240,202
Borrowings	-	-	1,662	1,662
Other domestic liabilities	9,222	-	-	9,222
Total	1,353,240	-	184,588	1,537,828
Net foreign currency position	91,613	9,910	(7,539)	93,984

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4. Financial risk management (continued)

(d) Market risks (continued)

CBK primarily conducts operations in Euros. However, the foreign currencies CBK deals with most frequently are Special Drawing Rights ("SDRs") and USD. The exchange rates used for currency translation as of 31 December 2024 and 2023 were as follows:

	2024	2023
	EUR	EUR
1 SDR	1.25482	1.21753
1 USD	0.96256	0.90498

SDRs are supplementary foreign exchange and transaction reserve assets defined and maintained by the International Monetary Fund (IMF). Although SDRs are not a currency, they represent a potential claim on the currencies of IMF member states, which can be exchanged as needed.

SDRs were created in 1969 to address a shortage of preferred foreign exchange reserve assets, namely the US dollar and gold. The value of SDRs is determined based on a weighted basket of five major currencies: the Euro, the US Dollar, the British Pound, the Japanese Yen, and the Chinese Renminbi.

US Dollars are held in the current account and term deposits with the Federal Reserve Bank of New York.

(e) Operational risk

Operational risk refers to the potential for direct or indirect losses arising from a variety of causes related to CBK's processes, personnel, technology, and infrastructure. It also encompasses external factors beyond credit, market, and liquidity risks, such as legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risk arises from all CBK operations and impacts every organizational unit.

CBK aims to manage operational risk by balancing the prevention of financial losses and reputational harm with effective cost management strategies.

The primary responsibility for developing and implementing controls to monitor operational risk is assigned to managerial staff within each organizational unit. This responsibility is supported by adherence to CBK's overarching policies, rules, and procedures for managing operational risk in the following areas:

- Allocation of duties and responsibilities, including the independent authorization of transactions;
- Transaction evaluation and monitoring requirements;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Periodic assessment of operational risks and evaluation of controls and procedures to mitigate such risks;
- Reporting of operational losses and proposed corrective actions;
- Development of contingency plans;
- Training and professional development programs;
- Upholding ethical standards and codes of conduct;
- Risk mitigation measures, including the use of insurance where effective

4. Financial risk management (continued)

(f) Capital management

Compliance with Standards and Reporting Framework for Financial Items

CBK relies on internal policies, rules, and procedures to prepare periodic reports based on these standards. These reports are then reviewed by the Department for Risk Management and the Department for Internal Audit. The findings from both departments are discussed with the management of the relevant organizational units. Additionally, the evaluations are submitted to and reviewed by the Audit Committee and other decision-making bodies of the CBK.

General Reserve and Unrealized Revaluation Reserve Accounts

In accordance with the Law, CBK is required to establish and maintain a general reserve, which may only be used to cover losses incurred through its activities. Furthermore, CBK must establish unrealized revaluation reserve accounts to record unrealized profits and losses related to positions in foreign currencies, gold, financial instruments, and other assets.

Calculation of Net Profits or Losses

Pursuant to Law No. 03/L-209, CBK calculates net profits or losses in accordance with the International Financial Reporting Standards (IFRS).

Determination of Earnings Available for Distribution

The distributable earnings are determined as follows:

- Deducting unrealized revaluation profits from the net profits and allocating an equivalent amount to the unrealized revaluation reserve account;
- Deducting unrealized profits that were previously allocated to the reserve account in prior years and realized during the current financial year, then adding this amount to the distributable earnings.

Treatment of Unrealized Revaluation Losses

Unrealized revaluation losses are transferred to the respective reserve accounts until these accounts have a zero balance. Once depleted, the losses are covered using the current year's profit, followed by the general reserve account, and finally the authorized capital account.

Allocation of Net Profit

According to Article 56, paragraph 1.1 of Law No. 03/L-209 on the Central Bank of the Republic of Kosovo:

- Net profit is first allocated to the general reserve fund until the combined amount of initial capital and general reserves equals five percent (5%) of the Central Bank's monetary liabilities.
- After fulfilling the 5% criterion, 50% of the remaining net income is transferred to the Ministry of Finance, while the other 50% is allocated to the Central Bank's general reserve fund.

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4. Financial risk management (continued)

(f) Capital management (continued)

Distributable incomes		
Description	2024	2023
Total comprehensive income for the year	31,617	27,631
From which are unrealized FX gains (profits) (note 29)	(783)	-
From which are unrealized revaluation losses that were realized in the current year	-	-
Distributable incomes	30,834	27,631
Capital, general reserve account and distributable earnings		
	2024	2023
Capital	30,000	30,000
General reserve	56,997	39,507
Distributable earnings	30,834	27,631
Total Capital, general reserve account and distributable earnings	117,831	97,138
Total monetary liabilities		
	2024	2023
Due to domestic commercial banks	656,127	590,505
Due to governmental institutions	574,631	511,705
Due to IMF related accounts	189,488	182,925
Due to public and commercial entities	104,576	240,163
Borrowings	1,484	1,662
Due to other monetary liabilities	760	757
Total monetary liabilities³	1,527,066	1,527,717
Ratio as per Article 56, paragraph 1.1.	7.72%	6.36%
Capital and reserves (Article 56, p.1.1.)	117,831	97,138
Capital and reserves (Article 56, p.1.1.) – Limit of 5%	76,353	76,386
Distributable earnings above the limit of 5%	30,834	20,752
50% of distributable earnings	15,417	10,376

(g) Asset management

In accordance with Laws No. 03/L-209 and No. 03/L-048, CBK is entrusted with the responsibility of making and managing authorized investments on behalf of the Ministry of Finance.

³ Excluding accruals.

5. Use of estimates and judgments

The preparation of financial statements requires the use of estimates and assumptions about future events, which introduce uncertainty and affect the amounts recognized for assets, liabilities, income, and expenses. Management collaborates with the Central Bank Board to develop, select, and disclose CBK's critical accounting policies and estimates, as well as their application.

Estimates and judgments are continuously reviewed, drawing on historical experience and other factors, including reasonable expectations of future events under specific circumstances. However, actual results may differ from these estimates.

Estimates and assumptions undergo regular reassessment, and the results of these evaluations are recognized prospectively.

Key sources of estimation uncertainty

Allowances for Expected Credit Losses

Assets measured at amortized cost are assessed continuously to identify potential impairment. Uncertainty in this assessment, which could result in a material adjustment during the reporting period, arises in cases such as the determination of data for the ECL measurement model, including forward-looking information and key assumptions used to estimate recoverable cash flows.

The specific components of the total allowance for the impairment of financial assets, evaluated individually, are based on management's best estimate of the present value of expected cash flows. When estimating these cash flows, management exercises judgment regarding the financial condition of the counterparty and the net realizable value of any established collateral.

Other Global Developments

In the financial statements for 2023 and 2024, CBK's international reserves, comprising highly rated securities and short-term bank deposits in EUR currency, have not been significantly impacted by the economic slowdown, inflation trends, or other global crises during these years. This holds true for the markets where the bank has exposure to foreign reserves. Furthermore, CBK does not anticipate any material impact in the year following the reporting period.

Critical Accounting Judgments in Applying CBK's Accounting Policies

Critical accounting judgments involved in applying CBK's accounting policies include the following:

Financial Asset and Liability Classification

CBK's accounting policies allow assets and liabilities to be initially categorized into different accounting classifications based on specific circumstances. When classifying financial assets as "held to collect contractual cash flows," CBK demonstrates the positive intent and ability to retain these assets until their maturity date, as required by its accounting policies.

Additionally, the key judgments made in implementing accounting policies, which significantly influence the amounts recognized in the financial statements, include:

- Establishing criteria to determine whether the credit risk of a financial asset has significantly increased since initial recognition;
- Developing methodologies to incorporate forward-looking information in the measurement of Expected Credit Losses (ECL); and
- Selecting and approving the models utilized for ECL measurement.

6. Financial assets and liabilities (Accounting classifications and fair values)

The table below outlines CBK's classification of each category of financial assets and liabilities, along with their fair values. All financial assets are measured at amortized cost and classified as 'held to collect'.

		2024		2023	
31 December	Note	Amortised cost	Fair value	Amortised cost	Fair value
Cash on hand	7	77,017	77,017	101,932	101,932
Current accounts with foreign banks	8	147,633	147,633	426,077	426,077
Securities	9	732,094	724,185	717,814	705,860
Money market placements	10	506,806	205,252	205,252	205,252
Assets related with IMF	11	180,189	178,261	178,261	178,261
Other assets	14	2,673	145	145	145
		1,646,412	1,332,493	1,629,481	1,617,527
Due to domestic banks	15	656,260	656,260	590,622	590,622
Due to IMF related accounts	16	190,555	190,555	184,217	184,217
Due to governmental institutions	17	575,251	575,251	511,903	511,903
Due to public and commercial entities	18	104,611	104,611	240,202	240,202
Borrowing	19	1,484	1,484	1,662	1,662
Other domestic liabilities	20	760	760	758	758
		1,528,921	1,528,921	1,529,364	1,529,364

7. Cash on hand

Cash on hand:

	2024	2023
Cash on hand	77,017	101,932
Total amount	77,017	101,932

The balances align with the typical trend of management's assessment and account cash flow in our financial positions for the reporting periods, specifically for the year ending December 31, as outlined in the related disclosure notes.

8. Current accounts with non-resident banks

These accounts are held at the following banks:

	2024	2023
Deutsche Bundesbank	47,999	319,333
Raiffeisen Zentralbank	1,721	6,023
Deutsche Bank	1,166	10,534
Banque centrale du Luxembourg	55,761	67,529
Commerzbank AG	465	1,078
Bank of Lithuania	6,026	20,101
Federal Reserve Bank (FED-NY)	327	246
DZ Bank AG	374	-
Hrvatska Narodna Banka	21,368	-
Erste Group Bank AG	743	-
National Bank of Belgium	10,145	-
Banca D'Italia	1,009	-
Total carrying amount	147,104	424,844
Expected Credit Losses (ECLs)	(42)	(117)
Total net amount	147,062	424,727

8. Current accounts with non-resident banks (continued)

Current accounts with foreign banks – accrued interest		
	2024	2023
Deutsche Bundesbank	272	1,077
Raiffeisen Zentralbank	0.5	-
Banque Centrale du Luxembourg	152	209
Bank of Lithuania	28	64
Hrvatska Narodna Bank (Croatian National Bank)	92	-
Erste Group Bank AG	0.5	-
National Bank of Belgium	24	-
Banca D'Italia	2	-
Current accounts with banks – accruals	571	1,350
Current accounts with banks – Total	147,633	426,077

The interest rate for the reporting period ranged from 0.66% to 4%, whereas during the comparison period, it ranged from 0.9% to 2%. This reflects a tendency toward decline in the third quarter of 2024 compared to 2023 and earlier periods, with a decrease of approximately 84 to 100 basis points.

Relevant changes in the corresponding Expected Credit Losses (ECLs) for current accounts with foreign banks are detailed as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	117	-	-	117
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
ECL (decrease) / increase for the year	(75)	-	-	(75)
Impact at the end of the year of ECLs of the exposures transferred between stages during the year	-	-	-	-
Unwind of discount (recognized in interest income)	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Foreign exchange adjustments	-	-	-	-
As at 31 December 2024	42	-	-	42

	2023			
	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2023	41	-	-	41
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
ECL (decrease) / increase for the year	76	-	-	76
Impact at the end of the year of ECLs of the exposures transferred between stages during the year	-	-	-	-
Unwind of discount (recognized in interest income)	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2023	117	-	-	117

9. Securities (treasury bills and government bonds)

Both categories within the group consist of debt securities issued by the European Union, the United States, and Kosovo. The treasury bills detailed below have maturities of up to one year, whereas government bonds have maturities of up to seven years.

The effective interest rate on securities ranges from -0.014% to 4.998% per annum in 2024 (2023: -0.014% to 5.104% per annum).

Analytical breakdown of securities categorized by type and issuing countries:

State	2024			2023		
	Carrying amount	Expected credit loss	Net amount	Carrying amount	Expected credit loss	Net amount
Germany	58,625	(34)	58,591	80,243	(32)	80,211
France	48,499	(30)	48,469	69,396	(33)	69,363
Netherlands	73,606	(37)	73,569	49,337	(15)	49,322
Finland	67,759	(40)	67,719	60,578	(19)	60,559
Slovenia	29,989	(19)	29,970	20,695	(15)	20,680
Luxemburg	29,543	(4)	29,539	9,795	(2)	9,793
Belgium	69,117	(36)	69,081	89,857	(44)	89,813
Austria	70,216	(49)	70,167	68,911	(17)	68,894
Ireland	45,849	(15)	45,834	31,322	(2)	31,320
USA	14,364	(2)	14,362	4,493	(1)	4,492
Italy	36,700	(30)	36,670	37,836	(28)	37,808
Poland	15,506	(38)	15,468	15,658	(28)	15,630
Kosovo	172,789	(134)	172,655	180,060	(131)	179,929
Total	732,562	(468)	732,094	718,181	(367)	717,814

Securities (treasury bills and government bonds)

By type:

	2024			2023		
	Carrying amount	Expected credit loss	Net amount	Carrying amount	Expected credit loss	Net amount
Treasury bills	14,364	(2)	14,362	74,019	(20)	73,999
Government Bonds	718,198	(466)	717,732	644,162	(347)	643,815
Total	732,562	(468)	732,094	718,181	(367)	717,814

9. Securities (treasury bills and government bonds) - continued

The movements of corresponding ECLs for the debt securities at Amortized Costs are, as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	367	-	-	367
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
ECL (decrease) / increase for the year	101	-	-	101
Impact at the end of the year of ECLs of the exposures transferred between stages during the year	-	-	-	-
Unwind of discount (recognized in interest income)	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2024	468	-	-	468

	2023			
	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2023	362	-	-	362
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
ECL (decrease) / increase for the year	5	-	-	5
Impact at the end of the year of ECLs of the exposures transferred between stages during the year	-	-	-	-
Unwind of discount (recognized in interest income)	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Exchange rate adjustments	-	-	-	-
At 31 December 2023	367	-	-	367

The table below presents the geographical distribution of investments in securities, detailing the minimum, maximum, and average effective interest rates, along with the percentage of concentration and maturities at the state level.

9. Securities (treasury bills and government bonds) (continued)

2024						
State	Minimum effective interest	Maximum effective interest	Average effective interest	Carrying amount	% of weight to total	Maturity
Germany	0.49757%	3.03205%	2.10637%	58,625	8.00%	2025-2027
France	0.85635%	2.37200%	1.61417%	48,499	6.62%	2025-2027
Netherlands	2.06588%	2.36018%	2.17894%	73,606	10.05%	2026-2028
Finland	0.85555%	3.05094%	2.20657%	67,759	9.25%	2025-2028
Slovenia	0.47233%	3.15152%	2.08428%	29,989	4.09%	2025-2028
Luxembourg	1.16414%	2.26451%	1.88860%	29,543	4.03%	2025-2026
Belgium	0.22016%	2.63902%	1.72340%	69,117	9.44%	2025-2029
Austria	2.14269%	3.37129%	2.67847%	70,216	9.58%	2025-2029
Ireland	2.17326%	3.31140%	2.62184%	45,849	6.26%	2025-2031
America	4.60941%	4.99778%	4.80360%	14,364	1.96%	2025
Italy	-0.01403%	0.05282%	0.01940%	36,700	5.01%	2026
Poland	0.05768%	0.07231%	0.06645%	15,506	2.12%	2027-2028
Kosovo	0.98795%	3.69770%	2.17685%	172,789	23.59%	2025-2029
Total				732,562	100%	

2023						
State	Minimum effective interest	Maximum effective interest	Average effective interest	Carrying amount	% of weight to total	Maturity
Germany	0.49757%	3.68490%	1.69919%	80,243	11.17%	2024-2025
France	0.85635%	3.30498%	1.83716%	69,396	9.66%	2024-2025
Netherlands	0.40133%	2.11075%	1.07830%	49,337	6.87%	2024-2026
Finland	0.51655%	3.88875%	1.86877%	60,578	8.43%	2024-2025
Slovenia	0.47233%	0.47233%	0.47233%	20,695	2.88%	2025
Luxembourg	1.16414%	1.16414%	1.16414%	9,795	1.36%	2025
Belgium	0.22016%	3.15564%	1.66122%	89,857	12.51%	2024-2027
Austria	3.37129%	3.73074%	3.55995%	68,911	9.60%	2024-2025
Ireland	0.55674%	3.31140%	1.93407%	31,322	4.36%	2024-2025
America	5.10406%	5.10406%	5.10406%	4,493	0.63%	2024
Italy	-0.01403%	0.05282%	0.01940%	37,836	5.27%	2026
Poland	0.05768%	0.07231%	0.06645%	15,658	2.18%	2027-2028
Kosovo	0.88849%	2.92672%	1.81850%	180,060	25.08%	2024-2028
Total				718,181	100%	

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10. Money market placements

Money market placements as of the reporting date (end of 2024) primarily consist of term deposits with maturities of up to three months. These placements are detailed on the next page, categorized by geographical distribution, predominantly in the financial markets of the Eurozone and the USA.

The management of the portfolio of placements and other financial instruments is carried out in accordance with CBK's internal policies

Money market placements are composed as follows:

(along with the relevant Expected Credit Loss (ECL) movements for deposit accounts held with non-resident banks at amortized cost):

	2024			2023		
	Carrying amount	Expected credit loss	Net amount	Carrying amount	Expected credit loss	Net amount
Term deposits						
Deutsche Bank	25,000	(2)	24,998	25,000	(7)	24,993
Banque Centrale De Luxembourg	165,000	(15)	164,985	150,000	(12)	149,988
Deutsche Bundesbank	100,000	(35)	99,965	25,000	(8)	24,992
Federal Reserve Bank (FED-NY)	38,406	(7)	38,399	-	-	-
RZB	20,200	-	20,200	-	-	-
DZ Bank	82,000	-	82,000	-	-	-
ERSTE BANK	50,000	(27)	49,973	-	-	-
HNB	6,064	(1)	6,063	5,158	(1)	5,157
Banka Kombetare Tregtare (BKT)	19,469	(9)	19,460	-	-	-
	506,139	(96)	506,043	205,158	(28)	205,130
Interest accrued on term deposits						
Deutsche Bank	43	-	43	63	-	63
Banque Centrale De Luxembourg	165	-	165	49	-	49
Deutsche Bundesbank	16	-	16	8	-	8
Federal Reserve Bank (FED-NY)	8	-	8	-	-	-
RZB	31	-	31	-	-	-
DZ Bank	116	-	116	-	-	-
ERSTE BANK	374	-	374	-	-	-
HNB	1	-	1	2	-	2
Banka Kombetare Tregtare (BKT)	9	-	9	-	-	-
	763	-	763	122	-	122
Total	506,902	(96)	506,806	205,280	(28)	205,252

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10. Money market placements (continued)

The movements of relevant Expected Credit Losses (ECLs) for deposit accounts held with non-resident banks at amortized cost are as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2024	28	-	-	28
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
ECL (decrease) / increase for the year	68	-	-	68
Impact at the end of the year of ECLs of the exposures transferred between stages during the year	-	-	-	-
Unwind of discount (recognized in interest income)	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2024	96	-	-	96
	2023			
	Stage 1	Stage 2	Stage 3	Total
ECL as at 1 January 2023	56	-	-	56
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
ECL (decrease) / increase for the year	(28)	-	-	(28)
Impact at the end of the year of ECLs of the exposures transferred between stages during the year	-	-	-	-
Unwind of discount (recognized in interest income)	-	-	-	-
Changes due to modifications not resulting in derecognition	-	-	-	-
Changes to models and inputs used for ECL calculations	-	-	-	-
Foreign exchange adjustments	-	-	-	-
At 31 December 2023	28	-	-	28

Money market placements are denominated in Euro and Dollar. The effective interest rate during 2024 ranged from 2.31% to 5.3% per annum (2023: 0.05% to 5.30% per annum), with an initial maturity period of 1 to 367 days (2023: 1 to 365 days). Deposits hold a minimum credit rating ranging from AAA/Aaa/AAA to BB-/Ba3/B3B-, based on the 2023 ratings provided by Standard & Poor's, Moody's, and Fitch.

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11. Assets related with IMF (International Monetary Fund)

	2024	2023
Reserved Quota Portion (RTP)	25,255	24,430
SDR holdings	153,951	152,619
Accrued interest	983	1,212
IMF	180,189	178,261

The assets mentioned above are related to Kosovo's admission to the International Monetary Fund (IMF) in June 2009. CBK serves as the depository and fiscal agent in connection with Kosovo's membership in the IMF. This is in accordance with Law No. 03/L-209 on the Central Bank of the Republic of Kosovo and Law No. 03/L-152 on Kosovo's Membership in the International Monetary Fund and World Bank Group Organizations.

The IMF Quota represents the subscription amount determined at the time of Kosovo's admission to the IMF and is expressed in SDRs, totaling 82.6 million SDR. However, as disclosed in Note 11, only the counter value of the reserved (paid) quota portion, plus an additional value, is reported in accordance with IMF regulations and decisions. It should be noted that, since 2023, CBK has adopted a new method of presenting IMF-related items/accounts. Balances are now presented using the net method, excluding the unpaid quota portion, which is recorded as an off-balance sheet item amounting to 62.3 million SDR or 78.1 million EUR.

SDR Holdings represent assets allocated by the IMF Board of Governors under SDR allocations to IMF member countries, as approved on August 28, 2009, and September 9, 2009. Additionally, a new allocation/distribution was approved by the IMF Board of Governors on August 2, 2021, with an effective date of August 23, 2021, amounting to 79,168,385 SDR. As a result, the SDR Holdings in the IMF on behalf of the Republic of Kosovo increased by this value starting from the transaction's effective date. SDR Holdings earned annual interest rates in 2024 ranging from 3.159% to 4.136% p.a. (2023: 2.916% to 4.198% p.a.).

CBK also acts as the depository institution (bank) for the Government of Kosovo to manage activities arising from agreements with the IMF. For each loan agreement or use of funds, CBK and the Government of Kosovo sign a memorandum of understanding. Under these agreements, CBK transfers the funds received from the IMF to the nostro account on behalf of the Government and credits the funds to the Government's account. Consequently, the balances of funds borrowed by the Government of Kosovo are disclosed as off-balance sheet items.

As of December 31, 2024, the balance of borrowings by the Government of Kosovo from the IMF amounted to 10.325 million SDR or 12.956 million EUR under the Rapid Financial Instrument (RFI) (as of December 31, 2023: 30.975 million SDR or 37.712 million EUR). This borrowing has been active since 2020.

Additionally, under the Resilience and Sustainability Facility (RSF), the borrowing amounted to 54.206 million SDR or 68.018 million EUR (as of December 31, 2023: 30.976 million SDR or 37.714 million EUR).

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12. Property and equipment

Property and equipment are composed as follows:

	Investments in leaseholds	Equipment	Computer	Vehicles	Assets under construction	Total
Cost						
At 1 January 2023	6,113	2,528	1,911	389	4	10,945
Acquisition	9	243	378	-	2	632
Disposal/write-off	-	(6)	(6)	-	-	(12)
31 December 2023	6,122	2,765	2,283	389	6	11,565
At 1 January 2024	6,122	2,765	2,283	389	6	11,565
Acquisition	55	173	200	-	-	428
Transfer from/to	-	111	-	-	(2)	109
Transfer from/to (adjustment)	-	-	-	-	(2)	(2)
Disposal/write off	-	(25)	(14)	-	-	(39)
At 31 December 2024	6,177	3,024	2,469	389	2	12,061
Depreciation						
At 1 January 2023	2,298	2,344	1,738	366	-	6,746
Depreciation of the year	311	97	132	14	-	554
Disposal/write-off	-	-	(11)	-	-	(11)
At 31 December 2023	2,609	2,441	1,859	380	-	7,289
At 1 January 2024	2,609	2,441	1,859	380	-	7,289
Depreciation of the year	310	140	173	9	-	632
Disposal/write-off	-	(25)	(14)	-	-	(39)
At 31 December 2024	2,919	2,556	2,018	389	-	7,882
Carrying amount						
At 1 January 2023	3,815	184	173	23	4	4,199
At 31 December 2023	3,513	324	424	9	6	4,276
At 31 December 2024	3,258	468	451	-	2	4,179

There were no assets pledged as collateral as of December 31, 2024 (December 31, 2023: none). In accordance with the Law on CBK, the Central Bank shall utilize and administer the property and facilities for its official business, including movable and immovable property located at Garibaldi Street 33, Prishtina.

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13. Intangible assets

Intangible assets are composed as follows:

	Software	Total
Cost		
Balance at 1 January 2023	3,187	3,187
Acquisitions	139	139
Balance at 31 December 2023	3,326	3,326
Balance at 1 January 2024	3,326	3,326
Acquisition	198	198
Balance at 31 December 2024	3,524	3,524
Amortization		
Balance at 1 January 2023	2,144	2,144
Amortization for the year	286	286
Balance at 31 December 2023	2,430	2,430
Balance at 1 January 2024	2,430	2,430
Amortization for the year	258	258
Balance at 31 December 2024	2,688	2,688
Carrying amount		
Balance at 1 January 2023	1,043	1,043
Balance at 31 December 2023	896	896
Balance at 31 December 2024	836	836

During 2024 and 2023, no intangible assets were pledged as collateral.

14. Other assets

Other assets are composed as follows:

	2024	2023
Accrued fee income	2,536	2,315
Accounts receivables and prepayments, payment in process	137	161
Total	2,673	2,476

Accrued fees represent charges from license renewals and other fees for local financial institutions, accumulated during the last quarter.

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15. Due to domestic commercial banks

Under CBK supervision in accordance with Banking Rule XVII, commercial banks operating in Kosovo are required to maintain a liquidity reserve equivalent to 10% of their qualifying customer deposits. At least 50% of this reserve must be held in accounts at the CBK.

Due to domestic banks	2024	2023
ProCredit Bank Kosova	47,191	40,270
Raiffeisen Bank Kosova	39,545	59,716
NLB Prishtina	44,722	39,937
Banka Ekonomike	22,214	15,407
Banka për Biznes	18,156	18,561
Banka Kombëtare Tregtare	37,048	29,432
Banka Ekonomike Turke (TEB)	38,654	32,747
Komercijalna Banka – Mitrovica Branch	-	3,971
Turkiye is Bankasi a.s.	2,533	3,841
T.C. Ziraat Bankasi A.S. – Kosova Branch	4,641	3,920
Banka Credins Kosovo	2,070	1,760
PriBank sh.a.	3,074	1,431
Banka Kreditore e Prishtinës	68	-
Total reserve required up to 5%	259,916	250,993
Additional amount on the required reserve 5%		
ProCredit Bank Kosova	47,191	17,663
Raiffeisen Bank Kosova	39,545	14,455
NLB Prishtina	96,195	61,212
Banka Ekonomike	38,051	58,971
Banka për Biznes	18,156	35,683
Banka Kombëtare Tregtare (Prishtina Branch)	79,657	77,886
Banka Ekonomike Turke (TEB)	48,429	35,537
Komercijalna Banka – Mitrovica Branch	-	3,509
Turkiye is Bankasi a.s.	4,554	4,175
T.C. Ziraat Bankasi A.S. – Kosova Branch	10,255	17,490
Banka Credins Kosovo	2,070	1,078
PriBank sh.a.	12,041	11,808
Banka Kreditore e Prishtinës	67	44
Total addition in current accounts	396,211	339,511

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15. Due to domestic commercial banks (continued)

Accrued interest	2024	2023
ProCredit Bank Kosova	23	18
Raiffeisen Bank Kosova	23	22
NLB Prishtina	23	21
Banka Ekonomike	11	8
Banka për Biznes	10	10
Banka Kombëtare Tregtare (Kosova)	17	14
Banka Ekonomike Turke (TEB)	20	17
Komercijalna Banka – Mitrovica Branch	-	2
Turkiye is Bankasi a.s.	1	2
T.C. Ziraat Bankasi A.S. – Kosova Branch	2	2
Banka Credins Kosovë	1	1
PriBank sh.a.	2	1
Total accrued interest	133	118
Total banks	656,260	590,622

The interest rate applied as of December 31, 2024, was 0.30%. Until July 31, 2023, it stood at 0.15% for deposits up to the account balance or a maximum of the required reserve value of 10%. For December 31, 2023, the rate remained at 0.30%, whereas between January 1 and July 31, 2023, it was 0.15% for deposits up to the required reserve. The required reserve is calculated in accordance with the relevant regulation on liquidity reserve requirements.

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16. Due to IMF related accounts

	2024	2023
IMF Account no. 2	68	6
IMF SDR – Allocation	168,819	163,802
Accrued interest	1,067	1,291
Total due to IMF	169,954	165,099
Due to Government		
IMF – Quota proportion paid by the Government	20,601	19,118
Total due to Government	20,601	19,118
Total	190,555	184,217

The aforementioned values are tied to Kosovo's admission to the International Monetary Fund (IMF) in June 2009.

Account No. 2 serves as the IMF's operational account within the CBK and was established in compliance with IMF rules and regulations.

The quota portion paid to the IMF by the Government of Kosovo represents the amount paid on behalf of Kosovo's IMF quota.

The distribution (issuance) of Special Drawing Rights (SDRs) refers to the allocation of SDRs by the IMF to member states. These allocations were approved by the IMF Board of Governors on August 28, 2009, and September 9, 2009, as well as in 2021. The 2021 allocation, amounting to 79,168,385 SDRs, was approved on August 2, 2021, with an effective date of August 23, 2021. Consequently, this item, on behalf of the Republic of Kosovo, increased by the specified value from the effective date of the transaction.

Distributions of SDRs and the paid quota portion bear annual interest rates ranging from 3.159% to 4.136% in 2024 (2023: 2.916% to 4.198%).

Liabilities to IMF accounts are presented using the net method, reflecting only financial items. Promissory note commitments, however, are recorded as off-balance sheet items and are disclosed under Note 11 of these financial statements.

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17. Due to Governmental institutions

Amounts due to governmental institutions include current accounts as detailed below:

Current accounts	2024	2023
Treasury – Ministry of Finance	249,422	345,232
Privatization Agency of Kosovo	179,143	166,373
Interim administrative institutions	66	100
Total I	428,631	511,705

Current accounts – accrued interest	2024	2023
Treasury – Ministry of Finance	74	155
Privatization Agency of Kosovo	46	43
Total II	120	198

Current/Dep. accounts	2024	2023
Treasury – Ministry of Finance	146,000	-
Total III	146,000	-

Current/Dep. Accounts accruals	2024	2023
Treasury – Ministry of Finance	500	-
Total IV	500	-

Current/Dep. Accounts	2024	2023
Treasury – Ministry of Finance	395,996	345,387
Privatization Agency of Kosovo	179,189	166,416
Interim administrative institutions	66	100
Total (I,II,III, IV)	575,251	511,903

The annual effective interest rate for current accounts as of December 31, 2024, was 0.3%. For the year 2023, the rate was 0.15% from January 1 to July 31.

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18. Due to public and commercial entities

Current accounts	2024	2023
Insurance companies	4,164	4,152
Other public institutions	100,405	236,004
Others	7	7
	104,576	240,163

Current accounts – accrued interest	2024	2023
Insurance companies	1	1
Other public institutions	34	38
	35	39
Total	104,611	240,202

The effective interest rate for current accounts as of December 31, 2024, was 0.3%. For the year 2023, the rate was 0.15% from January 1 to July 31.

Public institutions are entities established to serve public interest purposes. The main components of this group include the Kosova Pension Savings Trust (a public institution), the Deposit Insurance Fund, and the Credit Guarantee Fund. Meanwhile, trust accounts from the Kosovo Energy Corporation (KEK), KOSTT, and other accounts carry secondary significance within this grouping.

Public institutions	2024	2023
Kosova pension savings trust (KPST)	10,927	151,925
Deposit insurance fund (FSDK)	77,434	68,824
Credit guarantee fund (FKGK)	10,785	8,277
Transmission, System and Market Operator (KOSTT)	273	282
Kosovo energy corporation (KEK)	426	4,411
Regional water company (KUR Prishtina)	148	148
Post and Telecom of Kosovo - PTK	412	2,137
Total	100,405	236,004

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19. Borrowings

	2024	2023
Balance at 1 January	1,662	1,938
Repayments for borrowings (instalments)	(224)	(224)
Foreign exchange adjustments	46	(52)
Balance at 31 December	1,484	1,662

The amounts above represent borrowings from the World Bank in SDR currency, translated into euros as of the reporting date. The Bank took advantage of the opportunity to borrow under favorable terms, including a low interest rate and a grace period of approximately 10 years.

Interest payments began with the initial disbursement in 2014, while principal repayments started in October 2021. The maturity date for the borrowings is April 15, 2031.

The borrowings primarily financed a project for enabling real-time domestic payment processing and another for establishing a business continuity center. Both projects have been successfully completed.

Changes in the borrowing amounts are due to the payment of respective installments and, in part, to fluctuations in the EUR/SDR exchange rate as of the reporting date compared to the previous period.

20. Other liabilities

	2024	2023
Safe custody accounts	760	758
Deferred grant income	67	102
Other deferred income	10	9
Provisions for legal cases	365	505
Miscellaneous creditors	995	7,189
Long-term employees' benefits	672	659
	2,869	9,222

As of December 31, 2024, the accounts in custody include an amount of 760 thousand Euros, which is linked to the current operating account of the Kosovo Insurance Company, liquidated in April 2010. Following the liquidation process, this amount has remained as an account in custody. As of December 31, 2024, and 2023, the balance remains as disclosed above.

Changes in provisions for the year are outlined as follows:

	2024	2023
Carrying amount on 1 January	505	327
Provision expenses for contingent liabilities (Note 28)	-	178
Reduction of provisions during the year	(140)	-
	365	505

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20. Other liabilities (continued)

The movements in grant incomes are as follows:

	World Bank	European Central Bank	Total
Deferred grant incomes at 1 January 2023	138	-	138
Grants received during the year	-	45	45
Grants recognized as revenue for the year (Note 25)	(36)	(45)	(81)
Deferred grant incomes at 31 December 2023	102	-	102
Deferred grant incomes at 1 January 2024	102	-	102
Grants received during the year	-	15	15
Grants recognized as revenue for the year (Note 25)	(35)	(15)	(50)
Deferred grant incomes at 31 December 2024	67	-	67

The World Bank grant was allocated for the implementation of field supervision, while the ECB grant pertains to a regional project aimed at training the central regional CBK, of which the CBK was a participant.

21. Authorized capital

The authorized capital of the CBK as of December 31, 2024, and 2023 amounts to EUR 30,000, in compliance with Law No. 03/L-209, which was approved on July 22, 2010. The CBK reports to the Assembly of Kosovo, and its capital is not subject to any obligations.

21a. Reserve fund and revaluation reserve

The reserve fund and revaluation reserve are governed by Article 54 of Law No. 03/L-209 on the Central Bank of the Republic of Kosovo. Profit is regulated under the provisions of this law.

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22. Net interest income

Net interest income is composed as follows:

	2024	2023
Interest income		
From current accounts	12,521	10,806
From deposit accounts	14,285	7,148
From securities (treasury bills and bonds)	12,450	10,660
From accounts with IMF	5,893	5,912
	45,149	34,526
Interest expense		
From balances with IMF	6,395	6,308
Negative rates to nostro accounts with correspondent banks	1,459	964
Due to current accounts with the treasury	9,640	1,722
Due to public and commercial entities	414	340
Due to other institutions	2	2
From borrowings	12	14
	17,922	9,350
Net interest incomes	27,227	25,176

During 2024, interest rates for euro-denominated assets (the interest-bearing portion of the portfolio) remained high. However, in the second half of the year, they showed signs of decline. In contrast, during 2023, euro interest rates increased significantly, reaching their peak in September 2023. As a result of these rate increases and the strengthening of interest-bearing components within financial instruments, there were changes in the grouped items of this note, affecting interest income and expense, as well as net interest income. This resulted in a positive increase, driven by better investment opportunities and improved interest rates.

The interest rate applied to customers as of December 31, 2024, was 0.30% (in 2023: 0.30% from August 1 to December 31, and 0.15% from January 1 to July 31).

The scenario differs for items related to IMF accounts, which are denominated in SDR currency and have interest rates as disclosed under Notes 11 and 16.

23. Net fee and commission income

Net fee and commission income are composed as follows:

	2024	2023
Fee income		
From cash deposits	1,524	1,401
From foreign incoming transfers	109	87
From foreign outgoing transfers	640	534
From the inter-bank clearing system	2,172	1,879
From the credit registry system	252	221
Other fees	19	18
Total fee incomes	4,716	4,140
Fee expenses		
For cash transportation	1,168	1,219
For correspondent bank transactions	53	55
Total fee expenses	1,221	1,274
Net fee and commission income	3,495	2,866

This category of income arises from services provided to the Bank's customers, including payments, deposits, the credit register platform, account maintenance, and items held in custody.

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24. Income from regulatory activity

Income from regulatory activity primarily consists of fees charged to financial institutions in Kosovo for the issuance or renewal of licenses, as well as other applicable fees associated with their activities, which fall under the CBK's regulatory authority.

	2024	2023
Revenues from fees for services, regulation and supervision		
From commercial banks	5,760	5,241
From insurance companies	2,550	2,211
From non-bank financial institutions	383	369
From pension funds	29	28
Total	8,722	7,849

25. Grant income

Grant income is composed as follows:

	2024	2023
World Bank	35	36
European Central Bank	15	45
Total	50	81

26. Other operating income

	2024	2023
Other income	22	19
Total	22	19

Other income refers to income that is not related to the ordinary activities of the CBK or any balance disclosed in a separate note.

27. Personnel expenses

Personnel expenses are composed as follows:

	2024	2023
Employee benefits		
Salaries	4,703	4,330
Pension contributions (employer)	739	689
Health and life insurance costs	293	290
	5,735	5,309
Other personnel expenses		
Staff trainings	143	147
Central Bank Board expenses	147	121
Other	11	11
	301	279
Total	6,036	5,588

The average number of employees who actively contributed to the disclosed expenses for 2024 was 232 (compared to an average of 229 in 2023).

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28. General and administrative expenses

General and administrative expenses are as follows:

	2024	2023
Software maintenance	432	415
Insurance expenses	228	359
Travel and transportation	159	119
Security and guard services	157	112
Repairs and maintenance	100	98
25th anniversary activities*	95	-
Utilities	89	93
Representation and socialization expenses	53	34
Membership in professional organizations **	52	47
Cafeteria expenses	54	54
Cash operating expenses	40	45
Technical professional assistance and other external services	35	12
Communication expense (telephone, telex and internet)	32	33
Publication and literature expenses	30	16
Audit and consulting expense	25	12
Vehicle operating expenses	25	22
Representation expenses	14	6
Computer and other consumables expense	5	12
Consumable expenses for equipment	4	5
Stationery	4	8
Provision expenses	-	178
Other expenses	30	17
Total	1,663	1,697

Total general and administrative expenses in 2024 slightly decreased compared to 2023 and are aligned with the CBK's annual plan. Excluding provision expenses for 2023, other categories show an approximate 9.5% increase.

In 2025, the Central Bank of Kosovo (CBK) celebrated its 25th anniversary with various activities, resulting in dedicated expenses for these events, presented as a line item in the table under note 28.

These expenses, related to the 25th anniversary of CBK's establishment, are non-recurring. They totaled €95,000, which is only 8% higher than the similar costs incurred for the 20th anniversary event held five years earlier. This amount primarily includes the cost of the conference held on November 15, 2024, along with other accompanying activities throughout the year, amounting to a total of €95,000.

The aggregated expense for publications and literature increased compared to the previous period, mainly due to the planned rise in volume for new job vacancy announcements and the cost of surveys during the comparative period.

For professional technical assistance and other external services, the change compared to the previous period is primarily attributable to the increased volume of translation services, while other components have remained largely unchanged.

Representation and social event expenses encompass a variety of events and activities, including the financial education program, year-end gifts for children, retirement ceremonies and gifts for staff, gifts for March 8th, and other social events aimed at fostering staff engagement and internal socialization within CBK.

28. General and administrative expenses

Representation expenses in 2024 were higher compared to 2023, primarily because the executive bodies were not fully staffed in 2023 according to the organizational structure. Full staffing was achieved only at the beginning of 2024. Another contributing factor was the increase in planning limits for this specific item, as well as the authorization granted to heads of organizational units to manage their own representation expenses—a right previously delegated solely by the Executive Board or higher until 2023.

Memberships in professional associations are predominantly associated with international organizations and institutions, such as supervisory regulators (for banks, insurance, pensions), credit registry organizations, internal audit bodies, and financial reporting standards institutions.

Meanwhile, other items have either maintained their previous trends or increased based on specific needs and requirements.

29. Net profit/(loss) from foreign exchange and expected credit losses

The net unrealized profit from foreign exchange translations amounted to 783 thousand Euros for the year ended December 31, 2024 (2023: a loss of 182 thousand Euros). This represents an unrealized profit or loss arising from currency translation differences of assets and liabilities denominated in USD and SDRs into their euro-equivalent values, as recorded in the CBK's accounts.

Within the non-Euro currencies, there are the respective positions:

		31 December 2024	
Note:		Assets	Liabilities
10	USD	61,594	39,900
11,16	DVT (SDR)	142,814	152,191

		31 December 2023	
		Assets	Liabilities
10	USD	10,950	-
11,16	SDR	145,417	151,609

The effect of exchange rate variation derives from:

	31 December 2024	31 December 2023
from USD	1,100	(351)
from SDR	(317)	169
	783	(182)

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29. Net profit/(loss) from foreign exchange and expected credit losses

Profit or loss from changes in the exchange rate is a temporary non-operating position arising from foreign currency items (USD and SDR, as disclosed above). On the reporting date, these items must be converted into their EUR equivalents based on the exchange rate applicable on that date. The exchange rate changes result in differences (whether profit or loss), which solely reflect financial items—equivalent values that remain unrealized.

Active positions in USD (United States Dollar) are disclosed under Note 4(d), while positions in SDR (Special Drawing Rights) are disclosed under Notes 11 and 16.

Unrealized profit/loss	2024	2023
From currency positions	783	(182)
From financial instrument positions (Note 4)	(93)	(53)
Total unrealized profit/loss	690	(235)

If the effect of unrealized profit/loss is exclude —specifically, the amounts of 690 thousand Euros as unrealized profit in 2024 and (235) thousand Euros as unrealized loss in 2023—the operating financial result would amount to 30,927 thousand Euros for 2024 and 27,866 thousand Euros for 2023.

30. Cash and cash equivalents

Cash and cash equivalents are composed as follows:

	Note	2024	2023
Cash on hand	7	77,017	101,932
Current accounts with foreign banks	8	147,104	424,844
T-bills/maturity up to three months		9,583	
Money market placements with maturity up to three months	10	305,139	205,280
Total		538,843	732,056

Cash and cash equivalents are maintained to meet liquidity obligations, primarily those of a short-term nature. An investment qualifies as a cash equivalent if it has a maturity of less than three months from the date of acquisition.

31. Commitments and contingent liabilities

Legal cases

There are several open legal cases against CBK as of the reporting date of these financial statements. Management is of the opinion that the final outcome of these cases will not have a significant impact on the CBK's financial statements as of and for the year ending December 31, 2024. Nevertheless, adhering to the prudence principle, a reserve fund has been allocated for some of these cases, disclosed under other liabilities.

Contingent liabilities

Contingent liabilities include the following:

	2024	2023
Contracts for building renovation and repair	175	115
Equipment contracts	595	534
Applications in process (contracts)	116	132
Total	886	781

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31. Commitments and contingent liabilities (continued)

In 2009, Kosovo became a member of the World Bank Group organizations—the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), and the Multilateral Investment Guarantee Agency (MIGA). In connection with this membership, the CBK acts as a depository in compliance with Law No. 03/L-209 on the Central Bank of the Republic of Kosovo and Law No. 03-L-152 on Membership of the Republic of Kosovo in the International Monetary Fund and World Bank Group Organizations.

In June 2009, the Government of Kosovo issued promissory notes to facilitate payments related to membership subscriptions to the aforementioned World Bank agencies, following their requests and payment instructions. As of December 31, 2024, the total balance amounted to 718 thousand Euros, which remained unchanged from 2023.

32. Related party transactions

Related parties consist of key management personnel and the Central Bank Board. Details of their compensations are provided below:

	2024	2023
Compensations to the CBK Board	100	87
Compensations to the Audit Committee	11	12
Compensation to Governance and Human Resources Committee	6	-
Compensations to the Senior Management	204	160
Total	321	259

33. Subsequent events

No material events have occurred after the statement of financial position date that would necessitate corrections to the financial statements or require additional disclosures within them.

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V. Statistical Annex¹⁹

¹⁹ The data in the statistics tables represent unaudited data of financial institutions, which, upon corrections, will be published in the periodic reports of the CBK.

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Table 1.1. Financial corporations' statement – assets

(In millions of euros: End of period)

in millions of euros: End of period)

Description	Net external assets								Internal requirements							
	Requirements for non-residents							Liabilities to non-residents	Demands on the central government			Requirements towards other sectors	of which:			
	Gold Monetary and SDR	Deposits	Securities other than shares	of which:		Demands of the central government	Obligations towards the central government		Loans:	of which						
				IMF quota	Shares and other equities					Other non-financial corporations.	Households					
2011	2,047.3	2,425.6	65.1	1,338.9	230.2	70.1	533.1	378.2	998.8	-778.0	20.5	798.4	1,776.8	1,750.8	1,233.1	514.6
2012	2,224.1	2,660.4	63.3	1,147.7	486.0	68.8	666.5	436.3	1,195.5	-651.7	186.8	838.5	1,847.2	1,819.4	1,271.3	546.3
2013	2,452.7	2,908.3	59.6	1,037.9	818.7	65.9	651.2	455.6	1,369.1	-515.0	258.9	774.0	1,884.2	1,859.9	1,291.1	567.7
2014	2,546.6	3,011.6	62.5	1,313.0	315.7	70.4	1,024.4	465.0	1,609.0	-386.7	349.2	735.9	1,995.8	1,971.5	1,345.5	625.3
2015	2,610.3	3,133.4	65.1	1,271.6	351.3	75.1	1,086.3	523.2	1,864.8	-278.4	481.2	759.6	2,143.2	2,114.8	1,416.3	697.7
2016	2,705.6	3,249.5	56.0	648.0	712.5	105.3	1,307.4	543.9	2,221.0	-160.1	582.2	742.3	2,381.1	2,354.7	1,552.3	799.1
2017	2,784.8	3,441.8	66.3	715.9	639.2	98.1	1,483.0	657.0	2,561.2	-123.4	714.7	838.1	2,684.6	2,650.8	1,747.6	900.4
2018	2,610.2	3,288.1	64.9	602.2	739.8	100.3	1,231.8	677.9	3,049.2	48.5	839.5	791.0	3,000.8	2,970.2	1,965.0	1,000.8
2019	2,867.1	3,574.0	63.7	723.6	633.4	102.1	1,485.3	706.9	3,511.9	181.0	931.6	750.6	3,330.9	3,296.6	2,187.8	1,104.7
2020	2,976.9	3,701.5	58.8	831.3	717.8	97.8	1,356.7	724.6	4,051.2	515.6	1,055.8	540.2	3,535.6	3,499.5	2,312.7	1,182.2
2021	3,511.4	4,296.1	158.2	546.2	789.7	102.2	1,815.1	784.7	4,575.8	485.7	1,127.0	641.3	4,090.2	4,041.7	2,639.8	1,401.2
2022	3,624.3	4,488.2	160.3	744.8	957.0	103.5	1,695.2	864.0	5,241.4	495.6	1,114.1	618.4	4,746.2	4,695.4	3,061.0	1,634.1
2023	4,254.6	5,063.3	153.8	1,110.0	1,210.9	24.4	2,020.7	808.7	5,753.6	340.3	900.6	560.3	5,413.3	5,348.7	3,432.6	1,915.3
2024	4,594.0	5,607.6	154.9	1,043.6	1,319.1	25.3	2,528.7	1,013.7	6,747.1	339.6	956.5	616.9	6,407.5	6,313.9	3,975.1	2,336.4

Note: more detailed information about this table can be found at the link : http://www.bak-kos.org/repository/docs/time_series/01%20Financial%20Corporations%20Survey.xls

Table 1.2. Financial Corporations Statement – Liabilities

(In millions of euros: End of period)

Description	Deposits									Loans	Insurance technical reserves			Share capital and others	Other items (net)
	Transferable deposits	of which:				Other deposits	of which:					Net equity of households in pension funds	Payment of premiums and reserves		
		Non-financial public corporations	Other financial corporations	House holds			Non-financial public corporations	Other non-financial corporations	House holds						
2011	1,933.6	658.4	68.1	208.1	360.9	1,275.1	60.8	79.7	1,129.6	...	647.8	593.3	54.5	389.7	76.5
2012	2,076.6	700.2	13.8	257.5	407.2	1,376.5	61.8	78.2	1,232.9	...	814.9	745.1	69.8	399.2	128.9
2013	2,275.3	848.0	16.4	299.6	506.6	1,427.3	55.7	98.2	1,268.4	...	990.3	919.0	71.3	403.9	152.4
2014	2,353.7	1,133.9	21.1	338.4	743.5	1,219.8	51.6	58.0	1,104.8	...	1,173.8	1,094.1	79.7	452.3	175.8
2015	2,514.6	1,378.4	11.1	413.8	919.0	1,136.3	20.6	68.3	1,046.8	...	1,329.6	1,237.3	92.3	530.5	100.4
2016	2,739.7	1,630.1	24.7	456.0	1,116.0	1,109.6	32.2	70.8	1,006.2	...	1,546.0	1,425.4	120.6	542.4	98.4
2017	2,888.4	1,780.2	59.2	491.6	1,191.8	1,108.2	35.1	89.9	978.7	...	1,766.5	1,652.8	113.8	621.0	70.0
2018	3,118.2	1,962.6	80.5	527.0	1,316.1	1,155.6	30.2	98.4	1,018.2	...	1,807.2	1,689.0	118.2	658.6	75.4
2019	3,490.5	2,261.8	61.5	657.3	1,496.9	1,228.7	29.0	90.3	1,105.0	...	2,107.6	1,976.5	131.1	693.8	87.1
2020	3,999.1	2,683.3	126.9	719.8	1,784.1	1,315.8	44.8	107.7	1,153.3	...	2,138.0	1,999.2	138.8	808.1	82.9
2021	4,580.3	3,216.3	153.1	882.9	2,136.0	1,364.0	26.7	104.3	1,230.1	...	2,516.4	2,363.4	153.0	863.0	127.6
2022	5,154.4	3,508.1	164.3	989.5	2,297.0	1,646.3	105.3	183.8	1,350.1	...	2,593.1	2,420.6	172.5	950.4	167.8
2023	5,668.9	3,820.5	97.7	1,113.7	2,546.4	1,848.4	123.4	210.6	1,510.4	...	2,913.8	2,712.5	201.2	1,187.3	238.2
2024	6,336.3	4,192.2	69.8	1,211.8	2,833.3	2,144.1	190.6	274.8	1,673.1	...	3,416.9	3,193.8	223.2	1,368.4	219.5

Note: more detailed information about this table can be found at the link: http://www.bak-kos.org/repository/docs/time_series/01%20Financial%20Corporations%20Survey.xls

Table 2.1. Statement of depository corporations - Net foreign assets and domestic claims

(In millions of euros: End of period)

In millions of euros: End of period															
Description	Net external assets							Internal requirements							
	Requirements for non-residents						Minus: Liabilities towards foreigners	Net claims on central government				Requirements towards other sectors			
	Cash	Deposits	Securities other than shares	IMF quota	Demands on the central government	Minus: the liabilities to the central government		Loans	of which:						
									Other non- financial corporations	Households					
2011	1,583.3	1,879.9	124.9	1,338.8	227.0	70.1	296.6	888.2	-777.9	20.5	798.4	1,666.1	1,665.6	1,130.6	514.6
2012	1,616.7	1,989.7	141.4	1,147.6	482.7	68.8	373.1	1,075.9	-665.7	172.9	838.5	1,741.6	1,740.9	1,172.9	546.3
2013	1,859.7	2,252.6	157.9	1,037.8	815.3	65.9	392.9	1,219.0	-568.2	205.8	774.0	1,787.2	1,786.0	1,196.7	567.7
2014	1,579.0	1,982.2	160.4	1,312.9	311.6	70.4	403.2	1,441.6	-441.4	294.5	735.9	1,883.0	1,881.9	1,248.7	625.3
2015	1,581.8	2,042.3	190.6	1,271.5	347.4	75.1	460.5	1,641.4	-378.9	380.7	759.6	2,020.3	2,019.2	1,312.0	697.7
2016	1,493.1	1,936.8	316.7	647.9	709.5	105.3	443.7	1,971.5	-259.4	482.9	742.3	2,230.9	2,229.6	1,419.2	799.1
2017	1,419.6	1,945.7	357.2	707.6	637.6	98.1	526.1	2,254.7	-240.2	597.9	838.1	2,495.0	2,485.1	1,577.1	900.4
2018	1,421.7	1,931.4	483.8	482.2	738.4	100.3	509.7	2,572.8	-184.6	606.4	791.0	2,757.4	2,755.1	1,743.2	1,000.8
2019	1,576.3	2,085.0	509.8	722.9	632.0	102.1	508.7	2,885.8	-146.9	603.7	750.6	3,032.6	3,030.9	1,915.2	1,104.7
2020	1,812.4	2,339.7	540.5	830.5	716.8	97.8	527.3	3,274.2	26.7	567.0	540.2	3,247.5	3,245.6	2,051.0	1,182.2
2021	1,896.9	2,477.3	788.7	545.2	789.1	102.2	580.3	3,709.4	-49.4	591.9	641.3	3,758.8	3,747.0	2,335.1	1,401.2
2022	2,169.7	2,786.4	692.8	741.6	956.5	103.5	616.7	4,244.2	-104.5	513.9	618.4	4,348.7	4,346.0	2,700.8	1,634.1
2023	2,554.2	3,036.8	424.0	1,109.6	1,210.6	24.4	482.6	4,757.2	-158.0	402.3	560.3	4,915.7	4,913.4	2,975.6	1,915.3
2024	2,445.0	3,069.6	455.4	1,042.4	1,318.7	25.3	624.5	5,615.9	-211.7	405.2	616.9	5,827.6	5,805.7	3,422.6	2,336.4

Note: more detailed information about this table can be found at the link: http://www.bqk-kos.org/repository/docs/time_series/02%20Depository%20Corporations%20Survey.xls

Table 2.2. Statement of depository corporations – Liabilities

(In millions of euros: End of period)

Descrip tion	Deposits included in broad money											Deposits outside of broad money	Share capital and others	Other items (net)
	Transferable deposits					Other deposits	of which:							
			Other financial corporations	Non- financial public corporation	Other non- financial corporations.		House holds		Other financial corporations	Non- financial public corporations	Other non- financial corporations			
2011	1,902.2	705.3	37.8	77.2	208.1	363.3	1,196.9	91.0	49.2	71.7	979.9	175.8	302.9	90.6
2012	2,036.8	759.5	41.9	31.2	257.5	408.9	1,277.3	100.4	49.8	70.5	1,053.1	206.2	321.1	128.5
2013	2,389.2	1,097.1	226.5	39.1	299.6	509.0	1,292.1	62.2	43.7	92.3	1,088.9	209.7	329.0	151.5
2014	2,287.4	1,194.7	60.8	21.1	338.4	745.2	1,092.7	67.2	39.4	50.2	930.6	208.7	373.8	150.6
2015	2,415.6	1,476.0	97.6	11.1	413.8	919.7	939.6	37.4	7.8	55.0	838.9	252.2	444.4	111.7
2016	2,639.1	1,700.3	70.9	24.7	456.0	1,116.0	938.7	50.5	20.1	56.4	811.3	243.3	474.1	108.3
2017	2,806.9	1,869.2	89.8	59.2	491.6	1,191.8	937.7	68.2	22.9	66.3	775.8	261.6	523.3	82.5
2018	3,030.0	2,047.4	84.9	80.5	527.0	1,316.1	982.6	126.7	17.5	60.8	768.9	329.3	552.2	83.0
2019	3,393.4	2,338.2	76.4	61.5	657.3	1,496.9	1,055.2	201.0	16.0	56.5	777.3	438.9	575.8	54.0
2020	3,913.5	2,835.0	152.0	126.9	719.7	1,783.9	1,078.5	152.9	32.2	74.7	808.5	459.7	675.2	38.0
2021	4,388.3	3,311.3	95.1	153.1	882.9	2,136.0	1,077.0	110.9	12.4	75.2	875.4	457.4	706.3	54.4
2022	4,884.2	3,631.2	123.1	164.3	989.5	2,297.0	1,253.0	181.4	32.0	104.7	927.8	665.4	773.0	91.3
2023	5,405.3	4,084.6	264.1	97.7	1,113.7	2,546.4	1,320.6	162.1	75.4	105.0	974.3	810.1	961.7	134.7
2024	6,100.3	4,330.2	137.9	69.8	1,211.8	2,833.3	1,770.2	249.9	143.3	205.8	1,165.7	759.9	1,110.5	90.2

Note: more detailed information about this table can be found at the link: http://www.bqk-kos.org/repository/docs/time_series/02%20Depository%20Corporations%20Survey.xls**Table 3.1. CBK Statement - Net External Assets and Domestic Claims**

(In millions of euros: End of period)

Description	Net external assets										Net claims on central government	Requirements towards other sectors
	Requirements for non-residents							Liabilities to non-residents				
	of which:							of which:				
	SDRs	Cash	Deposits	Securities other than shares	IMF quota		Allocation of IMF's SDRs	Use of IMF funds				
2011	1,074.1	1,214.2	65.1	13.5	1,038.8	25.0	70.1	140.1	65.7	73.7	-776.7	0.5
2012	1,125.7	1,356.0	63.3	16.8	921.0	286.0	68.8	230.3	64.6	165.3	-724.8	0.7
2013	1,286.3	1,504.3	59.6	27.4	790.5	560.8	65.9	218.0	61.9	155.8	-667.5	1.2
2014	1,044.7	1,266.4	62.5	29.2	983.5	120.5	70.4	221.6	66.1	155.2	-628.8	1.1
2015	1,046.4	1,302.6	65.1	15.3	1,046.3	100.2	75.1	256.1	70.5	184.8	-599.4	1.1
2016	895.2	1,161.7	56.0	154.8	402.7	438.4	105.3	266.5	70.6	193.7	-493.1	1.4
2017	939.4	1,242.6	66.3	188.5	491.0	394.3	98.1	303.2	65.7	235.0	-473.6	9.7
2018	933.9	1,239.6	64.9	285.4	219.0	565.5	100.3	305.7	67.2	236.1	-431.6	2.1
2019	937.1	1,218.6	63.7	302.2	357.7	392.9	102.1	281.5	69.0	209.9	-421.5	1.7
2020	969.1	1,222.8	58.8	308.1	371.7	386.5	97.8	253.7	65.8	185.7	-213.1	1.9
2021	1,060.9	1,370.7	158.2	537.8	156.3	416.2	102.2	309.8	166.6	140.8	-346.8	11.8
2022	1,146.8	1,448.9	160.3	409.4	306.1	469.4	103.5	302.1	169.8	130.1	-355.4	2.7
2023	1,282.5	1,449.4	153.8	101.9	631.3	537.9	24.4	166.9	165.1	0.0	-350.8	2.3
2024	1,280.1	1,451.6	154.9	77.0	635.0	559.4	25.3	171.5	169.9	0.0	-422.5	21.9

Note: more detailed information about this table can be found at the link: http://www.bqk-kos.org/repository/docs/time_series/03%20CBK%20Survey.xls

Table 3.2. CBK Statement - Liabilities

(In millions of euros: End of period)

Description	Deposits included in the monetary base								Deposits excluded from the monetary base			Capital and others			Other items (net)
	Transferable deposits						Other deposits		Other non-financial corporations	Local government	of which:		Capital	Profit/loss for the year	
	of which:				Other financial corporations	Other financial corporations									
	Other financial corporations	Local government	Non-financial public corporations	Other financial corporations											
2011	39.5	39.5	36.8	...	0.2	...	...	...	...	...	...	50.0	30.0	1.5	-1.3
2012	51.5	51.5	49.8	...	0.0	...	...	...	...	...	...	50.4	30.0	0.3	-2.4
2013	239.0	239.0	236.6	...	0.0	...	...	...	...	...	...	50.5	30.0	0.2	-2.7
2014	53.0	53.0	40.5	...	10.9	...	...	...	...	...	...	50.8	30.0	0.4	-2.7
2015	83.4	83.4	82.3	...	0.3	...	...	...	...	...	...	51.6	30.0	0.7	-3.3
2016	59.6	59.6	51.2	...	7.7	...	...	...	...	...	...	53.3	30.0	1.6	-5.8
2017	96.6	96.6	52.7	...	43.1	...	...	...	...	...	...	52.4	30.0	-0.9	-5.3
2018	111.6	111.6	49.3	...	61.6	...	...	...	...	...	...	54.5	30.0	2.2	-5.1
2019	52.9	52.9	51.0	...	1.1	...	...	...	...	...	...	55.7	30.0	2.1	-6.3
2020	139.4	139.4	110.3	...	28.3	...	...	...	...	...	...	57.2	30.0	2.2	-5.1
2021	78.1	78.1	67.8	...	9.6	...	...	...	...	...	...	63.2	30.0	6.1	-4.4
2022	131.9	131.9	95.0	...	36.1	...	...	...	...	...	...	71.7	30.0	8.6	-3.7
2023	240.9	240.9	224.9	...	15.3	...	...	...	...	...	...	99.3	30.0	27.7	3.4
2024	105.3	105.3	92.5	...	12.0	...	...	...	...	...	...	120.2	30.0	31.4	-2.2

Note: more detailed information about this table can be found at the link: http://www.bqk-kos.org/repository/docs/time_series/03%20CBK%20Survey.xls**Table 4.1. Statement of the ODCs - Net external assets and domestic requirements**

(In millions of euros: End of period)

Description	Net external assets								Reque st to the CBK	Net demand on central govern ment	Requirements towards other sectors				
	Claims for non-residents				Minus: tax on non-residents						Loans	of which:			
	Cash	Deposi ts	Securities other than shares	Depot	Loans	Non-financial public corporat ions	Other non-financi al corporat ions	House holds							
2011	509.2	665.7	111.5	300.0	202.0	156.5	64.8	90.5	220.0	-1.2	1,666.1	1,664.1	1.5	1,130.6	514.6
2012	490.9	633.7	124.6	226.6	196.7	142.8	87.6	50.3	301.1	59.2	1,741.6	1,740.5	1.4	1,172.9	546.3
2013	573.4	748.3	130.6	247.3	254.4	174.9	90.4	82.4	332.8	99.4	1,786.0	1,786.0	0.2	1,196.7	568.6
2014	534.3	715.8	131.2	329.4	191.1	181.5	90.6	87.8	315.9	187.3	1,881.9	1,881.8	0.6	1,248.7	625.3
2015	535.7	740.0	175.5	225.2	247.2	204.3	116.0	85.9	315.7	220.7	2,019.0	2,019.0	0.6	1,324.1	685.6
2016	597.9	775.1	161.9	245.2	271.1	177.2	74.1	95.9	295.4	233.7	2,229.6	2,229.6	2.9	1,419.2	799.5
2017	480.2	703.1	168.7	216.6	243.4	222.9	117.9	102.5	330.7	233.4	2,485.1	2,485.1	2.4	1,577.1	900.8
2018	487.8	691.8	198.5	263.2	172.8	204.0	108.6	91.9	343.3	247.0	2,755.2	2,755.2	4.0	1,743.2	1,001.2
2019	639.2	866.5	207.6	365.1	239.1	227.2	119.4	106.0	414.9	274.7	3,030.9	3,030.9	3.4	1,915.2	1,105.4
2020	845.4	1,116.8	232.2	458.8	330.3	271.4	152.8	116.9	558.4	239.8	3,245.6	3,245.6	3.7	2,051.0	1,183.1
2021	836.0	1,106.5	250.9	388.9	372.9	270.5	138.3	128.9	589.0	297.3	3,747.0	3,747.0	0.0	2,335.1	1,401.9
2022	1,022.8	1,337.5	283.4	435.5	487.2	314.7	178.3	134.6	594.0	250.9	4,346.5	4,346.5	0.0	2,700.8	1,634.4
2023	1,271.6	1,587.4	322.0	478.3	672.7	315.8	170.2	142.3	589.8	192.7	4,909.1	4,909.1	...	2,975.6	1,916.1
2024	1,164.9	1,618.0	378.4	407.4	759.3	453.0	248.6	203.5	655.9	210.8	5,805.7	5,805.7	...	3,422.6	2,338.8

Note: more detailed information about this table can be found at the link: http://www.bqk-kos.org/repository/docs/time_series/04%20Other%20Depository%20Corporations%20Survey.xls

Table 4.2. Overview of ODCs - Liabilities

(In millions of euros: End of period)

Description	Deposits included in broad money											Dep. outside the broad money	of which:		Share capital and others	Other items (net)
	Transferable deposits					Other deposits					Other non-financial corporations		Households			
	of which:					of which:										
	Other financial corp.	Non-financial public corporations	Other non-financial corporations	Households		Other financial corporations	Non-financial public corporations	Other non-financial corporations	Households							
2011	1,863.3	665.9	10.1	67.9	208.1	360.9	1,197.4	91.0	49.2	71.7	980.4	175.8	8.0	149.7	252.8	102.2
2012	1,986.0	708.0	9.6	13.8	257.5	407.2	1,278.0	100.4	49.8	70.5	1,053.8	206.2	7.8	179.8	270.7	129.8
2013	2,149.5	857.3	11.8	16.4	299.6	506.6	1,292.2	62.2	43.7	92.3	1,088.9	209.7	5.9	179.4	277.8	154.4
2014	2,234.4	1,141.7	20.4	10.2	338.4	743.5	1,092.7	67.2	39.4	50.2	930.6	208.7	7.8	174.2	323.0	153.3
2015	2,349.6	1,392.0	14.5	10.9	413.8	919.1	957.5	37.6	12.8	54.3	852.3	232.7	13.9	193.1	393.8	115.0
2016	2,579.4	1,640.7	19.0	17.0	456.0	1,116.0	938.7	50.5	20.1	56.4	811.2	243.3	14.3	195.0	420.8	113.3
2017	2,710.3	1,772.7	36.3	16.0	491.6	1,191.8	937.7	68.2	22.9	66.3	775.8	261.6	23.6	202.9	471.0	86.7
2018	2,918.4	1,935.8	34.8	18.9	527.0	1,316.1	982.6	126.7	17.5	60.8	768.9	329.3	37.6	249.3	497.7	88.0
2019	3,340.5	2,285.3	24.6	60.4	657.3	1,496.9	1,055.2	201.0	16.0	56.5	777.3	438.9	33.8	327.7	520.1	60.2
2020	3,774.1	2,695.6	40.9	98.5	719.7	1,783.9	1,078.5	152.9	32.2	74.7	808.5	459.7	32.9	344.8	610.2	45.1
2021	4,310.1	3,233.1	26.5	143.5	882.9	2,136.0	1,077.0	110.9	12.4	75.2	875.4	457.4	29.1	354.6	643.1	58.8
2022	4,752.3	3,499.3	27.4	128.2	989.5	2,297.0	1,253.0	181.4	32.0	104.7	927.8	665.4	79.2	422.3	701.3	95.3
2023	5,164.3	3,843.7	38.4	82.5	1,113.7	2,546.4	1,320.6	162.1	75.4	105.0	974.3	810.2	105.0	536.2	862.4	126.4
2024	5,995.0	4,224.8	44.7	57.8	1,211.8	2,833.3	1,770.2	249.9	143.3	205.8	1,165.7	759.9	69.0	507.5	990.3	92.2

Note: more detailed information about this table can be found at the link: http://www.bqk-kos.org/repository/docs/time_series/04%20Other%20Depository%20Corporations%20Survey.xls

Table 5.1. Statement of OFCs – Net external assets and domestic claims

(In millions of euros: End of period)

in millions of euros: End of period

Description	Net external assets						Claims against depository corporations						Net claims on central government	Requirements towards other sectors	Loans	
		Requirements for non-residents	of which:		Minus: obligations to non-residents	Loans		CBK		Other corporations	depository					
			Securities other than shares	Share capital and others				Transferable deposits	Other deposits		Transferable deposits	Other deposits				
2011	464.0	545.7	3.2	533.1	81.7	81.7	138.1	27.7	27.7	...	110.4	7.3	103.1	—	128.1	102.5
2012	607.6	670.8	3.3	666.5	63.2	63.2	154.0	32.4	32.4	...	121.6	9.7	111.9	13.9	125.5	98.3
2013	593.0	655.8	3.5	651.2	62.7	62.7	313.0	213.9	213.9	...	99.1	14.6	84.5	53.1	117.5	94.4
2014	967.6	1,029.4	4.0	1,024.4	61.8	61.8	119.5	15.7	15.7	...	103.7	13.6	90.1	54.7	119.9	96.8
2015	1,028.4	1,091.1	3.9	1,086.3	62.7	62.7	162.8	55.4	55.4	...	107.3	21.8	85.6	100.5	131.6	104.2
2016	1,212.5	1,312.7	3.0	1,307.4	100.2	100.2	136.6	20.6	20.6	...	116.0	26.3	89.7	99.3	158.1	133.1
2017	1,365.1	1,496.0	1.5	1,483.0	130.9	130.9	178.4	18.6	18.6	...	159.8	47.7	112.1	116.8	194.5	170.5
2018	1,188.4	1,356.7	1.5	1,231.8	168.3	168.3	235.4	10.8	10.8	...	224.6	73.8	150.8	233.1	250.2	221.9
2019	1,290.8	1,489.0	1.4	1,485.3	198.1	198.1	309.0	7.7	7.7	...	301.3	81.8	219.5	327.9	305.2	272.6
2020	1,164.5	1,361.7	1.0	1,356.7	197.3	197.3	335.4	62.1	62.1	...	273.2	156.0	117.3	488.9	295.9	261.6
2021	1,614.5	1,818.9	0.6	1,815.1	204.4	204.4	192.3	13.6	13.6	...	178.7	58.3	120.4	535.1	341.3	304.7
2022	1,454.6	1,701.9	0.4	1,695.2	247.2	247.2	325.8	34.5	34.5	...	291.3	154.7	133.5	600.1	408.3	360.2
2023	1,700.5	2,026.5	0.3	2,020.7	326.1	326.1	447.1	156.4	156.4	...	290.7	132.2	155.7	498.3	519.3	457.0
2024	2,149.0	2,538.1	0.3	2,528.7	389.1	389.1	398.1	15.5	15.5	...	382.5	200.9	181.6	551.3	624.1	552.5

Note: more detailed information about this table can be found at the link: https://bqk-kos.org/repository/docs/time_series/5P%20OFC%20Balance%20Sheet.xls

Table 5.2. Overview of OFCs – liabilities

(In millions of euros: End of period)

Description	Loans	Insurance technical reserves				Share capital and others					Other items			
			Net capital of household economy in life insurance reserves	Net capital of household equity in pension funds	Prepayment of premiums and reserves against cumulative demands		Funds contributed by owners	Retained earnings	General and special reserves	Annual profit/losses		Other obligations	Minus: other assets	Plus: consolidation adjustment
2011	3.3	647.8	...	593.3	54.5	85.4	60.4	13.3	10.8	0.9	-6.3	16.1	22.4	...
2012	7.2	814.9	...	745.1	69.8	78.1	63.5	9.8	10.7	-6.4	0.7	29.0	28.4	...
2013	6.8	990.3	...	919.0	71.3	75.6	64.2	1.3	11.1	-1.0	3.9	29.8	25.9	...
2014	3.2	1,173.8	...	1,094.1	79.7	78.5	64.3	-0.5	14.4	0.3	6.1	30.9	24.8	...
2015	1.0	1,329.5	...	1,237.3	92.1	86.1	76.9	-2.7	17.3	-5.4	6.4	31.2	24.8	...
2016	2.1	1,546.0	...	1,425.4	120.6	68.3	94.9	-9.5	3.8	-20.9	-10.0	21.0	31.0	...
2017	5.8	1,766.5	...	1,652.8	113.8	97.7	107.3	-27.0	3.8	13.6	-15.1	21.8	36.9	...
2018	3.0	1,807.2	...	1,689.0	118.2	106.4	106.0	-16.1	5.0	11.5	-9.5	30.6	40.1	...
2019	10.1	2,107.6	...	1,976.5	131.1	118.1	114.9	-7.2	6.5	3.9	-2.8	49.6	52.3	...
2020	9.4	2,138.0	...	1,999.2	138.8	133.0	124.7	-3.1	7.2	4.2	4.1	56.4	52.3	...
2021	13.1	2,516.4	...	2,363.4	153.0	156.7	127.8	-0.5	7.6	21.9	-2.9	51.5	54.4	...
2022	14.3	2,593.1	...	2,420.6	172.5	177.7	133.6	18.2	7.1	18.8	3.7	58.1	54.4	...
2023	28.2	2,913.8	...	2,712.5	201.2	225.6	142.3	42.0	11.5	29.7	-2.4	76.3	78.7	...
2024	49.3	3,416.9	...	3,193.8	223.2	257.9	153.3	59.1	11.9	33.6	-1.6	80.2	81.9	...

Note: more detailed information about this table can be found at the link: https://bgk-kos.org/repository/docs/time_series/5f%20OFC%20Balance%20Sheet.xls**Table 6.1. Customer deposits in euro currency in ODCs – By initial maturity, main sectors**

(In millions of euros: End of period)

Description	Total deposits in euros														Non-resident
		Government	Financial corporations						Non-financial corporations			Other local sectors			
			Other depositary corporations	Other financial intermediaries	Insurance companies	Pension funds	Financial assistance		Public non-financial corporations	Other non-financial corporations		Households	NPISH		
2011	1,982.4	2.7	117.5	9.9	6.8	57.2	43.1	0.5	406.6	128.5	278.1	1,395.6	1,373.4	22.1	60.0
2012	2,162.7	0.7	120.0	3.8	6.2	64.3	45.3	0.4	401.7	75.6	326.1	1,558.6	1,535.4	23.2	81.7
2013	2,314.0	1.8	88.1	2.5	7.4	72.3	5.7	0.3	455.6	72.1	383.5	1,685.1	1,658.7	26.4	83.4
2014	2,426.6	8.8	104.4	2.6	5.1	79.3	17.1	0.3	449.7	61.8	388.0	1,781.6	1,751.1	30.6	82.1
2015	2,579.9	5.9	96.7	3.3	5.0	82.5	4.8	1.1	476.4	31.4	445.0	1,895.5	1,862.3	33.2	105.3
2016	2,779.5	5.6	120.4	5.6	6.9	82.8	23.7	1.1	536.4	49.0	487.5	2,053.3	2,021.5	31.9	63.7
2017	2,960.4	11.7	164.6	6.7	10.9	90.7	52.6	3.7	584.1	51.0	533.1	2,087.0	2,047.9	39.0	113.0
2018	3,221.6	15.6	234.0	14.0	8.4	85.0	124.9	1.7	629.4	49.1	580.3	2,236.0	2,193.8	42.1	106.5
2019	3,759.9	14.9	301.2	9.3	21.2	91.9	176.5	2.3	819.1	89.4	729.7	2,511.2	2,463.5	47.7	113.6
2020	4,226.0	14.0	275.3	12.8	36.1	98.6	123.5	4.2	944.8	143.3	801.5	2,843.8	2,781.8	62.0	148.1
2021	4,710.6	14.7	205.0	8.9	40.3	106.0	46.7	3.1	1,129.0	170.2	958.8	3,236.7	3,190.0	46.7	125.2
2022	5,467.9	14.1	342.9	29.0	43.1	125.9	137.1	7.9	1,371.9	233.4	1,138.5	3,579.0	3,517.4	61.6	160.0
2023	5,998.4	31.0	370.7	50.4	73.1	142.5	94.3	10.4	1,490.1	205.9	1,284.1	3,965.3	3,901.1	64.3	142.3
2024	6,812.6	22.1	477.0	49.5	96.4	152.2	169.7	9.2	1,681.1	248.4	1,432.7	4,427.2	4,346.8	80.4	205.2

Note: more detailed information about this table can be found at the link: http://www.bgk-kos.org/repository/docs/time_series/08%20Deposits%20at%20ODC%20-%20deposits%20in%20euro.xls

Table 6.2. Customer deposits in non-euro currencies in ODCs - By original maturity, main sectors

(In millions of euros: End of period)

in millions of euros. End of period)																
Description	Deposits in non-euro currencies															Nonres- ident
	Financial corporati- ons	of which:					Non- financial corporations	of which:		Other local sectors						
		CBK	Other deposito- ry corporati- ons	Other financia- l interme- diaries	Insura- nce comp- anies	Non- financi- al public corpor- ations		Other non- financi- al corpor- ations	Households	of which:			NPOSH			
										Transfer- able deposits	Saving- s deposi- ts	Other deposi- ts				
2011	131.4	0.3	...	0.3	...	...	9.8	0.1	9.7	117.5	117.0	46.5	31.7	38.9	0.4	3.8
2012	120.9	1.6	...	1.2	0.2	...	9.6	...	9.6	104.9	104.7	45.7	27.0	32.0	0.2	4.8
2013	136.9	0.7	...	...	0.4	...	14.2	...	14.2	116.7	116.2	59.6	29.6	27.0	0.5	5.2
2014	113.0	0.3	...	...	0.3	...	8.5	...	8.5	97.8	97.2	63.2	21.5	12.6	0.6	6.5
2015	124.3	0.2	...	0.2	...	...	13.5	...	13.5	102.8	102.2	76.6	19.3	6.2	0.6	7.8
2016	128.9	0.8	...	...	0.7	...	15.9	0.2	15.7	101.9	100.8	78.3	17.4	5.1	1.1	10.4
2017	148.1	0.6	...	...	0.5	...	17.6	0.1	17.5	122.9	122.6	99.3	17.0	6.2	0.3	7.0
2018	170.9	6.1	...	5.5	0.5	...	15.7	...	15.6	140.8	140.4	116.9	17.1	6.4	0.4	8.3
2019	166.0	6.0	...	5.0	0.6	...	15.0	...	15.0	138.9	138.5	115.2	16.0	7.2	0.5	5.9
2020	191.1	4.3	...	3.4	0.6	...	25.9	...	25.9	156.0	155.4	132.9	16.5	6.0	0.7	4.7
2021	223.7	5.5	...	4.8	0.3	...	28.4	...	28.4	176.6	176.1	153.3	16.7	6.1	0.5	13.1
2022	175.1	4.0	...	4.0	...	...	34.9	...	34.9	116.3	115.1	101.6	11.0	2.6	1.2	18.3
2023	213.6	3.4	...	2.9	0.4	...	40.2	...	40.2	156.5	155.7	134.7	11.3	9.7	0.8	13.3
2024	253.4	7.5	...	4.4	1.1	...	53.9	...	53.9	160.4	159.7	135.7	10.2	13.7	0.7	30.4

Note: more detailed information about this table can be found at the link: http://www.bak-kos.org/repository/docs/time_series/09%20Deposits%20at%20ODC%20-%20deposits%20in%20non-euro.xls

Table 6.3. Credits of ODCs – Main institutional sectors

(In millions of euros: End of period)

Description	Total credits																
		Financial corporations			Non-financial corporations	of which:					Other domestic sectors	of which:				Non-residents	Loans in non-euro currencies
		Other financial intermediaries	Insurance companies	Non-financial public corporations		Other non-financial corporations			Households								
						Up to 1 year	Over 1 year and up to 5 years	Over 5 years	Up to 1 year	Over 1 year and up to 5 years		Over 5 years					
2011	1,698.1	16.4	14.7	1.7	1,129.7	1.5	1,128.2	298.8	563.7	265.7	512.4	510.9	44.0	256.7	210.2	32.3	7.3
2012	1,763.4	19.8	16.3	3.5	1,171.2	1.4	1,169.8	313.4	586.5	269.9	542.9	542.6	52.2	256.2	234.2	22.5	6.9
2013	1,805.8	20.4	17.3	3.1	1,194.7	0.2	1,194.5	378.0	569.0	247.5	564.7	563.9	65.4	253.6	244.9	19.8	6.1
2014	1,882.2	7.1	5.8	1.3	1,247.0	0.6	1,246.4	380.7	590.5	275.2	621.8	621.6	55.9	285.0	280.7	0.4	6.0
2015	2,019.3	8.7	7.4	1.1	1,322.2	0.6	1,321.6	306.9	671.5	343.2	682.2	682.0	58.2	280.7	343.1	0.3	5.9
2016	2,230.0	7.9	7.5	0.3	1,420.8	2.9	1,417.9	405.9	638.2	373.8	796.5	796.2	56.1	307.2	432.8	0.4	4.2
2017	2,485.5	4.9	4.5	0.1	1,577.2	2.4	1,574.8	339.8	724.4	510.6	897.8	897.4	48.9	319.3	529.1	0.4	5.3
2018	2,755.5	6.9	5.4	0.1	1,745.7	4.0	1,741.7	311.1	817.8	612.8	998.5	998.2	50.2	326.9	621.1	0.3	4.1
2019	3,031.9	7.0	6.8	0.1	1,916.9	3.4	1,913.5	294.5	921.7	697.3	1,102.8	1,102.0	49.8	331.9	720.3	1.0	4.3
2020	3,246.6	7.7	7.5	0.1	2,054.8	3.7	2,051.0	334.7	941.9	774.5	1,180.8	1,179.9	40.1	306.1	833.7	1.0	2.3
2021	3,748.6	10.0	9.9	0.1	2,324.4	...	2,324.4	374.6	1,043.1	906.8	1,399.7	1,399.1	44.3	324.9	1,029.9	1.6	12.8
2022	4,347.9	10.8	10.1	0.3	2,688.7	...	2,688.7	418.2	1,163.5	1,106.9	1,632.7	1,632.3	48.6	312.1	1,271.6	2.4	13.3
2023	4,909.5	17.4	14.5	1.0	2,960.4	...	2,960.4	405.5	1,361.6	1,193.3	1,914.8	1,914.0	56.4	354.3	1,503.4	4.6	12.2
2024	5,804.6	44.2	43.7	0.2	3,413.0	...	3,413.0	595.9	1,479.4	1,337.8	2,338.5	2,336.0	64.3	412.6	1,859.1	7.6	1.2

Note: more detailed information about this table can be found at the link: http://www.bgk-kos.org/repository/docs/time_series/12%20ODC%20loans%20-%20by%20economic%20sectors.xls**Table 6.4. Corporate loans from ODCs - Main economic sectors**

(In millions of euros: End of period)

Description	Total									
		Agriculture			Industry, energy and construction			Service		
		Up to 1 year	Over 1 year		Up to 1 year	Over 1 year		Up to 1 year	Over 1 year	
2011	1,149.5	40.5	0.8	39.7	284.7	75.1	209.6	824.4	235.7	588.6
2012	1,194.2	43.6	3.0	40.6	290.4	66.6	223.8	860.2	262.4	597.8
2013	1,217.4	45.8	3.3	42.5	291.4	85.2	206.2	880.2	321.2	559.0
2014	1,256.4	49.8	4.1	45.7	300.0	88.8	211.2	906.6	319.1	587.5
2015	1,333.4	59.9	4.6	55.3	300.6	76.0	224.7	972.9	285.6	687.2
2016	1,410.1	59.7	9.1	50.6	324.8	75.5	249.3	1,025.5	322.2	703.4
2017	1,563.7	67.7	10.7	57.1	371.5	82.9	288.6	1,124.4	296.7	827.7
2018	1,734.3	67.7	18.4	49.3	428.5	88.1	357.1	1,238.1	298.6	939.4
2019	1,904.1	70.6	10.6	60.0	493.0	77.21	415.8	1,340.6	266.0	1,074.6
2020	2,040.6	55.0	4.7	50.3	633.6	100.6	533.1	1,352.0	311.6	1,040.5
2021	2,344.8	51.2	5.4	45.9	760.9	126.8	634.1	1,532.7	250.6	1,282.1
2022	2,713.6	56.3	4.6	51.7	968.3	157.3	811.0	1,688.9	259.3	1,429.6
2023	2,991.3	70.8	5.7	65.1	1,076.1	163.3	912.6	1,844.4	239.6	1,618.7
2024	3,465.2	64.3	6.4	57.9	1,174.4	198.4	976.0	2,226.5	393.2	1,833.3

Note: more detailed information about this table can be found at the link: http://www.bgk-kos.org/repository/docs/time_series/12%20ODC%20loans%20-%20by%20economic%20sectors.xls

Table 6.5. Effective interest rate on ODC deposits

(Annual average, in percentage)

Annual average, in percentage)									
Description	New deposits							Transferable deposits	Savings deposits
	Up to 1 month	Over 1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 2 years	Over 2 years			
	NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS								
2012	3.6	2.3	3.2	3.0	4.3	4.5	5.2	0.7	2.0
2013	3.4	2.0	2.7	2.7	3.7	4.4	4.8	0.6	1.7
2014	1.1	0.5	0.6	0.5	1.2	1.4	1.9	0.1	0.7
2015	0.9	0.4	0.8	0.4	0.7	1.0	1.9	0.0	0.3
2016	1.0	0.5	0.5	0.4	0.9	1.0	2.0	0.0	0.3
2017	1.0	0.8	0.4	0.4	1.0	1.1	1.6	0.0	0.3
2018	1.3	0.6	0.5	0.4	1.2	1.4	1.9	0.0	0.3
2019	1.5	0.5	0.6	0.6	1.3	1.5	1.8	0.0	0.4
2020	1.5	0.2	0.2	0.8	1.4	1.5	2.0	0.0	0.3
2021	1.3	0.4	0.1	0.5	1.2	1.4	1.5	0.0	0.3
2022	1.7	1.1	0.6	0.4	1.5	1.6	2.0	0.0	0.1
2023	2.3	2.2	1.0	1.5	2.0	2.4	2.4	0.0	0.2
2024	2.8	2.7	2.4	2.5	2.8	3.2	2.6	0.3	0.3
	Non-financial corporations								
2012	3.5	2.1	3.8	3.7	5.0	4.9	5.3	0.9	2.1
2013	3.5	1.5	2.8	2.7	3.7	4.6	4.8	0.7	2.0
2014	1.3	0.6	0.8	0.5	1.4	1.2	1.9	0.2	0.8
2015	1.1	0.7	1.0	0.3	1.0	1.0	1.9	0.1	0.1
2016	1.4	0.6	0.5	0.4	1.4	1.4	1.8	0.0	0.1
2017	1.4	0.9	0.9	0.8	1.3	1.5	1.9	0.0	0.3
2018	1.6	1.0	1.1	1.2	1.6	1.7	2.4	0.0	0.5
2019	1.8	1.0	1.8	0.9	1.6	1.8	1.8	0.0	0.5
2020	1.7	0.5	..	0.8	1.5	1.7	1.8	0.0	0.2
2021	1.8	0.6	..	1.1	1.6	1.8	1.9	0.0	0.2
2022	1.8	1.5	1.2	0.9	1.9	1.8	1.7	0.0	0.1
2023	2.7	2.0	2.0	2.7	2.5	3.0	2.8	0.0	0.2
2024	3.1	2.3	2.5	2.4	2.9	3.5	2.2	0.0	0.2
	Households								
2012	3.6	2.4	2.5	2.8	4.2	4.5	5.2	0.5	2.0
2013	3.5	2.1	2.3	2.6	3.7	4.3	4.8	0.6	1.6
2014	1.1	0.5	0.6	0.4	1.0	1.3	1.9	0.1	0.7
2015	0.9	0.4	0.6	0.4	0.7	0.9	1.9	0.0	0.3
2016	0.9	0.5	0.5	0.4	0.7	1.0	2.0	0.0	0.3
2017	0.9	0.7	0.4	0.4	0.8	1.1	1.6	0.0	0.3
2018	1.2	0.3	0.4	0.4	1.1	1.2	1.8	0.0	0.3
2019	1.4	0.2	0.3	0.6	1.2	1.3	1.8	0.0	0.4
2020	1.4	0.2	0.2	0.8	1.3	1.4	2.0	0.0	0.4
2021	1.2	0.1	0.1	0.4	1.1	1.3	1.4	0.0	0.3
2022	1.5	0.8	0.5	0.4	1.3	1.5	2.0	0.0	0.1
2023	2.1	2.3	0.6	1.4	1.9	2.2	2.3	0.0	0.2
2024	2.7	2.8	2.4	2.4	2.6	3.1	2.5	0.0	0.3

Note: more detailed information about this table can be found at the link:

http://www.bgkkos.org/repository/docs/time_series/13a%20ODC%20Effective%20interest%20rates%20on%20deposits.xls

Table 6.6. Effective interest rates on loans from KTDs

(Annual average, in percentage)

Description	New loans									Overdrafts and credit cards	Credit lines
	Consumer loans	Mortgage loans	Loans with favorable terms	Other loans							
					Agricultural	industrial	For services	Other sectors			
	NON-FINANCIAL CORPORATIONS AND HOUSEHOLDS										
2012	12.7	12.4	10.6	7.4	13.2	20.6	12.5	13.2	16.1	11.3	10.5
2013	11.8	11.6	10.1	7.6	12.3	17.4	12.3	11.9	13.7	12.2	10.0
2014	10.6	10.9	9.1	4.6	10.6	13.2	10.4	10.7	10.9	12.0	9.8
2015	8.3	9.0	7.4	4.7	8.2	9.8	8.0	8.1	8.9	10.6	8.8
2016	7.5	8.3	6.5	3.7	7.0	8.3	7.0	7.1	6.8	9.4	7.2
2017	6.8	7.8	5.9	3.6	6.5	7.7	6.4	6.5	6.6	9.3	6.3
2018	6.6	7.7	6.0	2.9	6.4	9.2	6.2	6.4	6.3	9.4	6.0
2019	6.5	7.0	5.7	2.9	6.4	9.1	6.4	6.3	6.3	9.7	5.8
2020	6.2	6.7	5.6	2.8	6.1	8.5	6.0	6.0	5.8	9.7	5.5
2021	6.0	6.4	5.0	2.8	5.9	8.0	5.9	5.9	6.3	9.5	5.4
2022	6.0	6.3	4.9	2.8	6.1	8.1	6.0	6.0	6.5	9.3	5.6
2023	6.5	6.4	5.3	3.0	6.7	9.1	6.8	6.6	6.9	9.1	5.7
2024	6.1	6.1	5.0	3.4	6.4	8.7	6.4	6.2	6.8	9.3	6.0
	Non-financial corporations										
2012	13.2	.	.	7.5	13.2	21.1	12.5	13.2	16.0	11.3	10.5
2013	12.3	.	.	7.0	12.3	17.6	12.3	11.9	13.7	11.5	10.0
2014	10.6	.	.	5.5	10.6	13.2	10.4	10.7	10.9	11.2	9.8
2015	8.1	.	.	2.9	8.1	9.3	8.0	8.1	8.9	9.5	8.8
2016	7.0	.	.	3.0	7.0	7.7	7.0	7.1	6.8	8.1	7.2
2017	6.4	.	.	3.6	6.4	7.2	6.4	6.5	6.6	7.8	6.3
2018	6.3	.	.	2.9	6.3	7.7	6.2	6.4	6.3	7.6	6.0
2019	6.3	.	.	2.9	6.3	7.2	6.4	6.3	6.3	7.5	5.8
2020	6.0	.	.	2.7	6.0	5.7	6.0	6.0	5.8	7.8	5.5
2021	5.9	.	.	2.9	5.9	6.9	5.9	5.9	6.3	7.7	5.4
2022	6.1	.	.	2.8	6.1	8.1	6.0	6.0	6.6	7.5	5.6
2023	6.7	.	.	3.1	6.7	9.3	6.8	6.6	7.2	7.5	5.7
2024	6.4	.	.	4.1	6.4	8.7	6.4	6.2	7.2	7.8	6.0
	Households										
2012	12.2	12.4	10.6	7.0	7.9	19.8	.	.	.	17.4	.
2013	11.3	11.6	10.1	6.8	7.9	16.4	.	.	.	17.4	.
2014	10.6	10.9	9.1	3.9	5.5	15.4	.	.	.	17.7	.
2015	8.7	9.0	7.4	5.1	7.3	13.3	.	.	.	17.0	.
2016	8.8	8.3	6.5	3.8	7.0	12.0	.	.	.	17.4	.
2017	7.4	7.7	5.9	2.9	.	12.5	.	.	.	17.6	.
2018	7.2	7.5	6.0	2.9	2.4	11.0	.	.	9.2	18.9	.
2019	6.8	7.0	5.7	2.9	2.9	10.6	.	.	5.7	20.0	.
2020	6.5	6.7	5.6	2.9	2.5	9.8	.	.	.	18.5	.
2021	6.1	6.4	5.0	2.6	2.4	9.9	.	.	5.9	18.3	.
2022	5.9	6.3	4.9	2.6	2.2	9.6	.	.	5.7	18.3	.
2023	6.2	6.4	5.3	2.9	1.9	9.8	.	.	6.3	17.7	.
2024	5.8	6.1	5.0	2.9	1.8	.	.	.	6.3	16.8	.

Note: more detailed information about this table can be found at the link:

http://www.bqk-kos.org/repository/docs/time_series/13%20ODC%20effective%20interest%20rates%20on%20loans.xls

Table 7.1 Kosovo's Balance of Payments - Main Components

(In millions of euros)

Description	Current and capital account balance							Balance from the financial account					Mistakes and omissions
	Current account						Capital account						
		Goods	Services	Primary income	Secondary income			Direct investments	Portfolio investments	Other investments	Reserve assets		
2011	-569.4	-611.4	-2,047.1	395.7	111.2	928.8	42.0	-377.5	-378.9	57.8	4.8	-61.2	191.8
2012	-280.2	-293.1	-2,050.1	499.6	153.6	1,103.7	13.0	-232.4	-213.3	185.7	-420.5	215.8	47.8
2013	-144.3	-179.0	-1,995.6	520.0	121.5	1,175.0	34.7	-132.2	-250.2	139.3	14.4	-35.7	12.1
2014	-363.4	-384.6	-2,058.6	459.9	113.8	1,100.3	21.2	-145.0	-123.8	13.3	22.6	-57.0	218.4
2015	-471.4	-497.3	-2,109.3	457.1	92.6	1,062.4	25.8	-312.3	-271.8	18.6	-132.8	73.6	159.1
2016	-467.2	-481.4	-2,290.8	638.8	74.5	1,096.1	14.2	-199.1	-177.2	343.6	-264.0	-101.5	268.1
2017	-360.4	-348.6	-2,464.2	827.3	127.4	1,161.0	-11.8	-276.2	-212.0	14.7	-148.8	69.8	84.2
2018	-519.9	-508.8	-2,737.7	855.8	113.1	1,260.0	-11.1	-335.5	-225.8	-199.9	3.4	86.8	184.4
2019	-408.3	-399.5	-2,840.2	926.0	160.6	1354.1	-8.9	-163.0	-188.4	59.0	-128.8	95.2	245.3
2020	-454.7	-472.2	-2,573.2	391.6	164.0	1,545.4	17.5	-560.9	-286.6	-81.7	-238.9	46.3	-106.1
2021	-632.5	-694.7	-3567.0	1034.8	151.4	1686.1	62.2	-362.6	-320.4	283.6	-488.3	168.9	269.9
2022	-878.7	-917.1	-4287.2	1372.9	115.5	1881.6	38.5	-661.6	-556.9	135.7	-307.9	67.6	217.1
2023	-666.5	-729.4	-4598.3	1629.3	198.9	2040.7	62.8	-415.5	-650.1	432.3	-153.8	-44.0	251.0
2024	-883.2	-914.8	-4926.8	1791.4	218.2	2002.4	31.6	-639.3	-623.2	354.7	-440.6	69.7	243.8

Note: more detailed information about this table can be found at the link [26 Balance of payments - main components.xls \(live.com\)](#)

7.2. Current account

(In millions of euros)

Description	Balance					Loans					Debit				
		Goods	Services	Primary income	Secondary income		Goods	Services	Primary income	Secondary income		Goods	Services	Primary income	Secondary income
2011	-611.4	-2,047.1	395.7	111.2	928.8	2,417.0	316.5	820.3	239.0	1,041.3	3,028.4	2,363.7	424.5	127.8	112.5
2012	-293.1	-2,050.1	499.6	153.6	1,103.7	2,614.1	281.9	894.5	230.0	1,207.7	2,907.2	2,332.0	394.8	76.4	104.0
2013	-179.0	-1,995.6	520.0	121.5	1,175.0	2,678.4	291.5	875.1	227.5	1,284.3	2,857.4	2,287.0	355.1	106.0	109.3
2014	-384.6	-2,058.6	459.9	113.8	1,100.3	2,667.3	324.3	928.6	215.8	1,198.7	3,052.0	2,382.9	468.7	102.0	98.4
2015	-497.3	-2,109.3	457.1	92.6	1,062.4	2,628.2	322.5	951.5	221.7	1,132.5	3,125.5	2,431.8	494.4	129.1	70.2
2016	-481.4	-2,290.8	638.8	74.5	1,096.1	2,822.9	307.9	1,130.6	212.8	1,171.6	3,304.3	2,598.7	491.8	138.3	75.4
2017	-348.6	-2,464.2	827.3	127.4	1,161.0	3,195.3	378.4	1,358.8	230.0	1,228.2	3,543.9	2,842.6	531.5	102.6	67.2
2018	-508.8	-2,737.7	855.8	113.1	1,260.0	3,531.3	376.7	1,561.6	264.2	1,328.8	4,040.1	3,114.5	705.8	151.1	68.8
2019	-399.5	-2,840.2	926.0	160.6	1,354.1	3,753.2	393.2	1,675.1	277.7	1,407.2	4,152.7	3,233.5	749.1	117.1	53.1
2020	-472.2	-2573.2	391.6	164.0	1545.4	3363.3	475.1	994.9	290.2	1603.1	3835.5	3048.3	603.3	126.2	57.8
2021	-694.7	-3,567.0	1,034.8	151.4	1,686.1	4,712.8	752.7	1,906.0	295.6	1,758.5	5,407.5	4,319.7	871.1	144.2	72.4
2022	-917.1	-4,287.2	1,372.9	115.5	1,881.6	5,755.5	931.5	2,504.5	353.7	1,965.8	6,672.6	5,218.7	1,131.6	238.2	84.1
2023	-729.4	-4,598.3	1,629.3	198.9	2,040.7	6,469.0	870.7	2,966.5	476.2	2,155.6	7,198.4	5,469.0	1,337.2	277.3	114.9
2024	-914.8	-4,926.8	1,791.4	218.2	2,002.4	6,962.4	956.2	3,364.9	530.7	2,110.5	7,877.1	5,883.0	1,573.5	312.5	108.1

Note: more detailed information about this table can be found at the link [26a Current account.xls \(live.com\)](#)

Table 7.3.1 Primary income

(In millions of euros)

Description	Balance				Loans				Debit			
		Workers' compensation	Investment income	Other primary income		Workers' compensation	Investment income	Other primary income		Workers' compensation	Investment income	Other primary income
2011	111.3	208.2	-96.9	0.0	239.1	221.3	17.8	0.0	127.8	13.1	114.7	0.0
2012	153.6	214.3	-60.6	0.0	230.0	219.9	10.1	0.0	76.4	5.6	70.8	0.0
2013	121.5	218.9	-97.4	0.0	227.5	223.2	4.3	0.0	106.0	4.3	101.6	0.0
2014	113.8	200.4	-85.9	-0.7	215.8	206.5	8.0	1.3	102.0	6.1	93.9	2.0
2015	92.6	205.7	-112.0	-1.0	221.7	210.3	9.6	1.8	129.1	4.6	121.6	2.8
2016	74.5	194.2	-116.7	-3.0	212.8	199.9	11.3	1.6	138.3	5.7	128.0	4.6
2017	127.4	217.3	-86.0	-3.9	230.0	222.6	5.7	1.7	102.6	5.3	91.7	5.6
2018	113.1	237.0	-121.4	-2.5	264.2	247.6	14.1	2.5	151.1	10.6	135.5	5.0
2019	160.6	257.1	-92.4	-4.1	277.7	264.5	10.3	2.9	117.1	7.3	102.8	7.0
2020	164.0	262.4	-94.6	-3.8	290.2	274.1	13.7	2.5	126.2	11.7	108.3	6.2
2021	151.4	263.4	-110.4	-1.7	295.6	279.9	12.6	3.1	144.2	16.5	123.0	4.7
2022	115.5	286.5	-171.3	0.3	353.7	314.9	36.1	2.7	238.2	28.4	207.4	2.3
2023	198.9	338.1	-140.0	0.8	476.2	358.2	114.2	3.8	277.3	20.1	254.2	3.1
2024	215.4	412.9	-201.4	3.9	529.9	431.1	87.3	11.5	314.5	18.2	288.8	7.6

Note: more detailed information about this table can be found at the link: [28 Primary Income.xls \(live.com\)](#)

Table 7.3.2 Secondary income

(In millions of euros)

Description	Secondary income			Loans			Debit		
		Government	Financial corporations, non-financial corporations, households, and NPOSHs		Government	Financial corporations, non-financial corporations, households, and NPOSHs		Government	Financial corporations, non-financial corporations, households, and NPOSHs
2011	928.8	322.2	606.6	1,041.3	322.2	719.1	112.5	-	112.5
2012	1,103.7	401.6	702.2	1,207.7	401.6	806.1	103.9	-	103.9
2013	1,175.0	369.7	805.3	1,284.3	369.7	914.6	109.3	-	109.3
2014	1,100.3	291.9	808.4	1,198.7	291.9	906.8	98.4	-	98.4
2015	1,062.4	202.9	859.5	1,132.5	202.9	929.6	70.2	-	70.2
2016	1,096.1	207.2	888.9	1,171.6	207.2	964.3	75.4	-	75.4
2017	1,161.0	199.7	961.3	1,228.2	199.7	1,028.5	67.2	-	67.2
2018	1,260.0	226.1	1,033.9	1,328.8	226.1	1,102.7	68.8	-	68.8
2019	1,354.2	236.6	1,117.6	1,407.2	236.6	1,170.6	53.1	-	53.1
2020	1,545.4	276.6	1,268.7	1,603.1	276.6	1,326.5	57.8	-	57.8
2021	1,686.1	233.6	1,452.5	1,758.5	233.6	1,524.9	72.4	-	72.4
2022	1,881.6	295.8	1,585.8	1,965.8	295.8	1,670.0	84.1	-	84.1
2023	2,040.7	301.6	1,739.1	2,155.6	301.6	1,854.0	114.9	-	114.9
2024	2,002.4	292.6	1,709.8	2,110.5	292.6	1,817.9	108.1	-	108.1

Note: more detailed information about this table can be found at the link: [29 Secondary Income.xls \(live.com\)](#)

Table 7.4. Migrant Remittances - By Country

(In percentage)

Description	Germany	Switzerland	Italy	Austria	Belgium	US	Sweden	France	Norway	Canada	England	Denmark.	Finland	Netherlands	Slovenia	Other
2018 Q1	39.8	21.5	5.0	4.0	2.6	6.4	3.2	4.4	1.6	1.5	2.6	0.3	0.8	0.6	0.4	5.2
Q2	41.1	20.5	4.6	4.1	2.5	6.5	3.5	4.2	2.1	1.4	2.4	0.3	0.6	0.5	0.5	5.0
Q3	38.8	21.9	5.0	4.0	2.3	6.7	3.5	4.3	2.1	1.2	2.1	0.4	0.8	0.5	0.5	5.9
Q4	42.1	22.8	4.9	4.2	2.5	7.4	3.3	4.4	1.8	1.4	2.2	0.3	0.8	0.6	0.6	0.7
2019 Q1	40.7	20.4	5.3	4.1	2.4	7.1	3.0	4.2	1.6	1.3	2.2	0.3	1.0	0.5	0.5	5.3
Q2	41.8	19.3	4.9	3.9	2.6	7.1	3.1	4.3	1.7	1.4	2.1	0.4	0.8	0.5	0.5	5.6
Q3	39.2	20.8	4.8	4.1	2.2	6.8	3.1	4.4	1.9	1.5	2.0	0.4	0.9	0.5	0.6	6.9
Q4	41.2	20.4	4.7	3.9	2.4	7.3	2.6	4.3	1.5	1.3	2.2	0.3	0.8	0.6	0.6	5.9
2020 Q1	42.4	20.8	4.4	4.1	2.2	7.3	2.7	3.9	1.3	1.0	2.0	0.3	0.9	0.4	0.6	5.7
Q2	43.1	24.3	3.5	4.8	2.1	5.4	2.5	3.5	1.1	1.1	1.5	0.3	0.8	0.5	0.9	4.8
Q3	40.8	24.4	4.0	4.8	1.9	6.2	2.3	3.7	1.4	1.2	1.8	0.3	0.9	0.5	0.6	5.0
Q4	42.9	20.0	4.3	4.7	2.2	6.7	2.6	4.2	1.4	1.3	2.2	0.3	0.9	0.5	0.6	5.2
2020 Q1	41.3	18.9	4.1	4.5	2.5	6.9	2.8	3.9	1.5	1.3	2.2	0.3	0.9	0.5	0.6	7.7
Q2	39.5	17.3	4.0	4.2	2.4	7.0	2.7	3.9	1.7	1.3	2.2	0.3	0.9	0.5	0.5	11.5
Q3	39.2	19.7	4.3	4.5	2.2	7.9	3.1	4.2	2.0	1.5	2.3	0.3	1.0	0.6	0.7	6.4
Q4	36.9	19.7	4.4	4.6	2.8	7.1	2.6	3.7	1.9	1.4	1.7	0.3	1.0	0.5	0.8	10.8
2021 Q1	41.3	18.9	4.1	4.5	2.5	6.9	2.8	3.9	1.5	1.3	2.2	0.3	0.9	0.5	0.6	7.7
Q2	39.5	17.3	4.0	4.2	2.4	7.0	2.7	3.9	1.7	1.3	2.2	0.3	0.9	0.5	0.5	11.5
Q3	39.2	19.7	4.3	4.5	2.2	7.9	3.1	4.2	2.0	1.5	2.3	0.3	1.0	0.6	0.7	6.4
Q4	36.9	19.7	4.4	4.6	2.8	7.1	2.6	3.7	1.9	1.4	1.7	0.3	1.0	0.5	0.8	10.8
2022 Q1	40.0	18.5	4.7	5.1	2.9	8.0	2.5	3.7	1.8	1.4	2.1	0.3	1.1	0.6	0.8	6.6
Q2	38.9	17.9	4.5	5.4	3.0	8.4	2.4	3.8	2.1	1.6	2.1	0.3	1.0	0.6	0.8	7.2
Q3	41.2	20.2	5.0	5.6	2.7	9.1	2.6	4.0	2.2	1.7	2.0	0.3	1.2	0.7	1.1	0.4
Q4	41.5	20.7	4.9	5.3	3.5	8.3	2.0	4.2	1.8	1.5	2.2	0.3	1.1	0.9	1.0	0.6
2023 Q1	38.8	17.2	4.8	4.8	3.3	7.6	1.9	3.7	1.5	1.3	2.1	0.3	1.1	0.7	1.0	9.9
Q2	37.4	18.0	4.5	4.9	3.3	7.4	2.3	3.5	1.6	1.3	2.0	0.3	1.0	0.7	1.0	10.7
Q3	37.9	19.1	4.3	4.7	3.2	7.3	2.9	3.9	2.0	1.5	2.4	0.3	1.1	0.7	1.0	7.7
Q4	38.4	20.8	4.8	4.2	3.5	7.1	2.0	3.7	1.7	1.3	2.6	0.3	1.1	0.6	1.0	7.0
2024 Q1	37.5	18.0	6.0	4.7	4.1	7.4	1.9	3.6	1.7	1.2	2.5	0.4	0.9	0.7	1.1	8.4
Q2	38.1	18.5	4.6	4.9	3.7	7.5	2.3	3.5	2.2	1.4	2.3	0.4	0.9	0.7	1.2	7.9
Q3	37.3	19.0	3.7	4.5	3.1	7.4	3.0	3.5	2.6	1.5	2.3	0.3	1.0	0.6	0.9	9.1
Q4	37.7	18.8	4.3	4.2	3.4	7.5	2.6	3.4	1.9	1.3	2.4	0.3	0.8	0.5	1.0	9.8

Note: more detailed information about this table can be found at the link: [32 Remittances-by country.xls \(live.com\)](#)

Table 8.1. Direct investments – by geographical criteria

(In millions of euros: Balance as of December 31, 2024)

in millions of euros. Dates as of December 31, 2017

Country		Total Inward Direct Investment			Total Outbound Direct Investment		
			Equity	Other capital transactions		Equity	Other capital transactions
European Union		2,908.2	2,478.1	430.0	313.1	296.0	17.1
AT	Austria	443.1	419.5	23.7	20.1	18.8	1.3
BE	Belgium	100.2	91.5	8.7	9.4	9.2	0.2
BG	Bulgaria	40.1	9.4	30.7	1.0	1.0	0.0
CY	Cyprus	17.7	4.2	13.5	19.7	19.7	0.1
FR	France	69.9	75.2	-5.2	17.0	16.9	0.0
DE	Germany	1,289.4	1,214.8	74.5	138.7	128.7	10.0
GR	Greece	6.7	5.7	1.0	7.4	7.4	0.0
HR	Croatia	23.4	18.4	5.0	36.1	31.5	4.6
IT	Italy	105.5	92.0	13.5	18.0	17.9	0.1
NL	Netherlands	153.9	-5.9	159.8	6.4	6.1	0.3
RO	Romania	0.7	2.4	-1.7	0.8	0.8	0.0
SI	Slovenia	309.2	294.4	14.8	17.0	16.8	0.2
SE	Sweden	116.7	115.5	1.2	7.4	7.4	0.0
	Other EU countries	231.5	141.0	90.5	14.1	13.9	0.2
Other European Countries		2,535.3	2,104.3	431.0	771.5	742.7	28.8
AL	Albania	468.3	319.7	148.6	450.2	436.6	13.6
MK	Macedonia	42.3	25.6	16.7	60.6	53.9	6.7
ME	Montenegro	24.1	16.2	7.9	81.1	76.6	4.5
NO	Norway	67.1	65.8	1.3	5.9	5.9	0.0
RS	Serbia	20.3	18.1	2.3	20.8	20.8	0.0
GB	Great Britain	203.6	140.5	63.1	28.4	28.3	0.1
CH	Switzerland	1,162.0	1,038.3	123.8	53.8	53.1	0.6
TR	Turkey	519.1	456.8	62.4	41.0	37.7	3.3
	Other European Countries	28.5	23.4	5.1	29.8	29.7	0.0
Other Countries		708.8	616.7	92.2	81.2	79.2	2.0
US	United States	542.1	470.8	71.3	55.0	53.1	1.9
AE	United Arab Emirates	25.2	24.1	1.1	11.2	11.2	0.0
	Other Countries	141.6	121.8	19.8	15.0	14.9	0.1
Other places (unallocated)		932.2	930.6	1.6	0.0	0.0	0.0
ZZ	Not specified	932.2	930.6	1.6	0.0	0.0	0.0
in total		7,084.5	6,129.7	954.8	1,165.9	1,117.9	48.0

Note: more detailed information about this table can be found at the link: http://www.bqk-kos.org/repository/docs/time_series/34a%20Direct%20investment%20in%20Kosovo%20by%20geographical%20breakdown.xls

Table 9.1. Assets in the form of portfolio investments by country

(In millions of euros: Balance as of December 31, 2024)

Description		Capital and shares of investment funds	Total debt instruments	Long-term debt instruments	Short-term debt instruments	Total
AE	United Arab Emirates	-	0.1	-	0.1	0.1
AL	Albania	-	5.4	5.4	-	5.4
AT	Austria	-	175.9	111.9	63.9	175.9
BE	Belgium	-	77.8	31.3	46.6	77.8
BR	Brazil	-	-	-	-	-
CH	Switzerland	-	2.1	-	2.1	2.1
CI	Ivory Coast	-	1.7	1.7	-	1.7
DE	Germany	0.2	123.4	76.5	46.9	123.5
DK	Denmark	-	-	-	-	-
EG	Egypt	-	8.0	8.0	-	8.0
FR	France	368.1	100.6	67.5	33.2	468.7
GB	Great Britain	26.7	3.4	3.4	-	30.1
GR	Greece	-	5.3	5.3	-	5.3
JP	Japan	-	2.0	2.0	-	2.0
IE	Ireland	1,135.6	6.9	6.9	-	1,142.5
LU	Luxembourg	613.7	4.4	4.4	-	618.1
ME	Montenegro	-	6.9	6.9	-	6.9
MX	Mexico	-	1.4	1.4	-	1.4
NG	Nigeria	-	2.7	2.7	-	2.7
NL	Netherlands	-	39.8	39.8	-	39.8
PL	Poland	-	2.3	2.3	-	2.3
RO	Romania	-	7.9	7.9	-	7.9
SE	Sweden	-	1.0	1.0	-	1.0
SI	Slovenia	-	4.7	4.7	-	4.7
SK	Slovakia	-	-	-	-	-
SN	Senegal	-	3.5	3.5	-	3.5
TG	Togo	-	-	-	-	-
TN	Tunisia	-	-	-	-	-
TR	Turkey	-	33.6	33.6	-	33.6
US	United States	383.9	112.8	74.4	38.4	496.7
UA	Ukraine	-	3.5	3.5	-	3.5
UZ	Uzbekistan	-	9.8	9.8	-	9.8
ZA	South Africa	-	9.9	9.9	-	9.9
ZZ	Other	-	81.1	79.1	2.0	81.1
Total value of investments		2,528.2	843.4	610.4	233.0	3,371.6

Note: more detailed information about this table can be found at the link: http://www.bqkkos.org/repository/docs/time_series/34f%20Portfolio%20Investments%20Position.xls

Table 10.1. International investment position – main components

(In millions of euros: End of period)

Statement of Assets and Liabilities										
Description	Net	Assets					Obligations			
			Direct investment s	Portfolio investment s	Other Investment s	Reserve assets		Direct investments	Portfolio investment s	Other investment s
2011	113.6	3,304.8	102.0	740.2	1,908.2	554.4	3,191.2	2,326.1	0.0	865.1
2012	135.8	3,592.0	117.8	986.6	1,760.6	726.9	3,456.3	2,524.3	0.0	931.9
2013	258.6	3,997.4	147.5	1,192.6	1,963.2	694.1	3,738.8	2,816.4	0.0	922.4
2014	196.5	4,175.8	174.6	1,274.7	2,081.5	645.0	3,979.3	2,961.4	0.0	1,017.9
2015	-43.0	4,366.0	211.5	1,383.3	2,063.5	707.8	4,409.0	3,254.4	0.0	1,154.6
2016	-81.0	4,547.7	261.2	1,789.3	1,892.2	605.1	4,628.7	3,405.4	0.0	1,223.3
2017	-94.6	4,837.9	304.5	1,904.8	1,945.2	683.4	4,932.6	3,518.9	0.0	1,413.6
2018	-395.5	4,766.2	348.4	1,613.3	2,035.2	769.3	5,161.7	3,691.5	0.0	1,470.1
2019	-394.2	5,163.3	415.2	1,829.3	2,055.1	863.7	5,557.5	3,968.8	0.0	1,588.7
2020	-814.9	5,315.6	477.2	1,779.2	2,158.4	900.8	6,130.5	4,229.4	0.0	1,901.1
2021	-912.5	6,082.2	579.1	2,260.8	2,142.3	1,100.1	6,995.0	4,655.7	6.4	2,340.2
2022	-1,595.4	6,472.9	755.7	2,259.5	2,281.8	1,175.8	8,083.1	5,358.8	6.4	2,703.2
2023	-1,789.8	7,381.5	945.6	2,828.0	2,476.9	1,131.1	9,171.3	6,239.9	6.4	2,925.0
2024	-2,127.7	8,236.8	1,165.9	3,365.0	2,444.4	1,261.5	10,364.5	7,084.5	6.4	3,273.5

Note: more detailed information about this table can be found at the link: http://www.bqk-kos.org/repository/docs/time_series/34b%20International%20Investments%20Position.xls

Table 10.2. International Investment Position - By Sector

(In millions of euros: End of period)

Description	NET International Investment Position												
	Total	Central Bank of the Republic of Kosovo			Banks			Government			Other sectors		
			Assets	Obligations		Assets	Obligations		Assets	Obligations		Assets	Obligations
2011	113.6	1,094.5	1,161.0	66.4	479.1	675.5	196.4	-253.6	0.0	253.6	-1,206.4	1,468.4	2,674.8
2012	135.8	1,238.8	1,303.7	65.0	458.0	633.6	175.6	-336.5	0.0	336.5	-1,224.5	1,654.7	2,879.3
2013	258.6	1,392.1	1,454.2	62.1	540.2	748.3	208.1	-321.8	0.0	321.8	-1,351.9	1,794.9	3,146.9
2014	196.5	1,146.5	1,212.9	66.3	481.6	715.8	234.2	-326.4	0.0	326.4	-1,105.2	2,247.1	3,352.3
2015	-43.0	1,174.9	1,245.5	70.6	480.9	740.0	259.1	-371.2	0.0	371.2	-1,327.6	2,380.5	3,708.1
2016	-81.0	1,011.1	1,082.0	70.9	539.2	775.1	235.9	-373.8	0.0	373.8	-1,257.6	2,690.6	3,948.2
2017	-94.6	1,102.5	1,168.4	65.9	429.7	710.1	280.3	-422.2	0.0	422.2	-1,204.7	2,959.5	4,164.2
2018	-395.5	1,096.3	1,163.7	67.4	426.2	691.9	265.6	-416.4	0.0	416.4	-1,501.6	2,910.6	4,412.2
2019	-394.2	1,072.5	1,141.8	69.3	568.1	866.5	298.4	-409.1	0.0	409.1	-1,625.7	3,155.0	4,780.7
2020	-814.9	1,083.6	1,149.5	65.9	765.8	1,116.8	350.9	-525.8	0.0	525.8	-2,138.5	3,049.4	5,187.9
2021	-912.5	1,126.2	1,293.1	166.9	735.3	1,106.6	371.3	-576.4	0.0	576.4	-2,191.4	3,682.5	5,874.0
2022	-1,595.4	1,200.5	1,370.6	170.0	901.2	1,337.6	436.4	-647.6	0.0	647.6	-3,049.6	3,764.7	6,814.3
2023	-1,789.8	1,284.2	1,449.4	165.2	1,129.1	1,587.4	458.3	-699.2	0.0	699.2	-3,503.9	4,344.7	7,848.6
2024	-2,127.7	1,281.7	1,451.6	170.0	993.6	1,611.3	617.7	-782.4	0.0	782.4	-3,620.5	5,173.9	8,794.4

Note: more detailed information about this table can be found at the link: http://www.bqk-kos.org/repository/docs/time_series/34c%20International%20Investment%20Position%20-%20by%20sectors.xls

Table 10.3.1 International investment position – assets (In millions of euros: End of period)

	Net PIN	Kosovo's international assets								
			Equity			Debt				
				Investments abroad	Equity securities		Investments abroad	Debt securities	Other Investments	Reserve Assets
2011	113.6	3,304.8	398.0	102.0	296.0	2,906.8	0.0	444.3	1,908.2	554.4
2012	135.8	3,592.0	784.2	117.8	666.3	2,807.9	0.0	320.3	1,760.6	726.9
2013	258.6	3,997.4	786.2	135.4	650.8	3,211.2	12.1	541.7	1,963.2	694.1
2014	196.5	4,175.8	1,186.3	161.9	1,024.4	2,989.5	12.6	250.3	2,081.5	645.0
2015	-43.0	4,366.0	1,284.9	198.6	1,086.3	3,081.1	13.0	296.9	2,063.5	707.8
2016	-81.0	4,547.7	1,550.4	243.1	1,307.4	2,997.3	18.1	481.9	1,892.2	605.1
2017	-94.6	4,837.9	1,762.3	279.3	1,483.0	3,075.6	25.2	421.8	1,945.2	683.4
2018	-395.5	4,766.2	1,546.6	314.8	1,231.8	3,219.5	33.6	381.5	2,035.2	769.3
2019	-394.2	5,163.3	1,864.5	379.2	1,485.3	3,298.8	35.9	344.0	2,055.1	863.7
2020	-814.9	5,315.6	1,787.0	429.3	1,357.7	3,528.7	47.9	421.5	2,158.4	900.8
2021	-912.5	6,082.2	2,346.0	531.1	1,815.0	3,736.2	48.0	445.8	2,142.3	1,100.1
2022	-1,595.4	6,472.9	2,390.3	695.5	1,694.8	4,082.5	60.2	564.7	2,281.8	1,175.8
2023	-1,789.8	7,381.5	2,916.9	896.6	2,020.3	4,464.6	48.9	807.7	2,476.9	1,131.1
2024	-2,127.7	8,236.8	3,646.1	1,117.9	2,528.2	4,590.7	48.0	836.8	2,444.4	1,261.5

Note: more detailed information about this table can be found at the link: http://www.bqk-kos.org/repository/docs/time_series/34e%20IP%20Assets%20and%20Liabilities.xls

10.3.2 International investment position – liabilities

(In millions of euros: End of period)

Description	Net PIN	Obligations							
			International capital			International debt			
				Direct investments	Capital and shares of investment funds		Direct investments	Debt instruments	Other Investments
2011	113.6	3,191.2	1,760.7	1,760.7	0.0	1,430.5	565.4	0.0	865.1
2012	135.8	3,456.3	1,938.4	1,938.4	0.0	1,517.8	585.9	0.0	931.9
2013	258.6	3,738.8	2,129.9	2,129.9	0.0	1,608.9	686.5	0.0	922.4
2014	196.5	3,979.3	2,241.4	2,241.4	0.0	1,737.9	720.0	0.0	1,017.9
2015	-43.0	4,409.0	2,476.3	2,476.3	0.0	1,932.7	778.2	0.0	1,154.6
2016	-81.0	4,628.7	2,612.7	2,612.7	0.0	2,016.0	792.7	0.0	1,223.3
2017	-94.6	4,932.6	2,848.2	2,848.2	0.0	2,084.4	670.7	0.0	1,413.6
2018	-395.5	5,161.7	3,138.4	3,138.4	0.0	2,023.2	553.1	0.0	1,470.1
2019	-394.2	5,557.5	3,371.0	3,371.0	0.0	2,186.5	597.8	0.0	1,588.7
2020	-814.9	6,130.5	3,626.0	3,626.0	0.0	2,504.5	603.4	...	1,901.1
2021	-912.5	6,995.0	4,038.2	4,038.2	0.0	2,964.0	617.5	6.4	2,340.2
2022	-1,595.4	8,068.3	4,628.3	4,628.3	0.0	3,440.0	730.5	6.4	2,703.2
2023	-1,789.8	9,171.3	5,330.1	5,330.1	0.0	3,841.2	909.8	6.4	2,925.0
2024	-2,127.7	10,364.5	6,129.7	6,129.7	0.0	4,234.7	954.8	6.4	3,273.5

Note: more detailed information about this table can be found at the link: http://www.bqk-kos.org/repository/docs/time_series/34e%20IP%20Assets%20and%20Liabilities.xls

Table 11.1. External debt – gross position

(In millions of euros: Balance as of December 31, 2024)

Description	Total gross external debt																		
	Public debt and guaranteed public debt											Private sector unsecured debt							Direct investments: lending between companies
	Government					Central Bank of the Republic of Kosovo			Non-financial Public Corporations			Depository corporations, excluding the Central Bank				Other sectors			
		Short term	Long term		Short term	Long term		Short term	Long term		Short term	Long term		Short term	Long term		Short term	Long term	
2011	1,428.4	320	253.6	-	253.6	66.4	0.7	65.7	-	-	-	1,108.4	196.4	196.4	-	346.6	259.8	86.8	565.4
2012	1,517.3	401.4	336.5	-	336.5	65	0.4	64.6	-	-	-	1,115.9	175.6	175.6	-	354.4	321	33.5	585.9
2013	1,608.2	383.9	321.8	-	321.8	62.1	0.3	61.9	-	-	-	1,224.3	208.1	208.1	-	329.7	281.1	48.5	686.5
2014	1,737.1	392.8	326.4	-	326.4	66.3	0.3	66.1	-	-	-	1,344.3	234.2	234.2	-	390.1	294.8	95.3	720
2015	1,931.8	441.8	371.2	-	371.2	70.6	0.1	70.5	-	-	-	1,490.0	259.1	259.1	-	452.8	313.8	139	778.2
2016	2,015.1	444.6	373.8	-	373.8	70.9	0.1	70.8	-	-	-	1,570.5	235.9	235.9	-	541.9	353.1	188.8	792.7
2017	2,083.2	494.0	422.2	-	422.2	65.9	0.1	65.8	6.0	-	6.0	1,589.2	280.3	280.3	-	638.1	416.6	221.5	670.7
2018	2,021.9	493.9	416.4	-	416.4	67.4	0.1	67.2	10.0	-	10.0	1,537.3	265.6	217.5	48.1	709.3	480.8	228.4	553.1
2019	2,184.8	488.4	409.1	-	409.1	69.3	0.4	69.0	10.0	-	10.0	1,701.7	298.4	206.8	91.6	800.2	536.3	263.9	597.8
2020	2,502.4	601.1	525.8	-	525.8	65.9	0.1	65.8	9.4	-	9.4	1,901.3	350.9	258.1	92.8	946.9	525.5	421.4	603.4
2021	2,955.8	756.4	582.8	-	582.8	166.9	0.3	166.6	6.6	-	6.6	2,206.3	371.3	289.9	81.4	1,217.4	684.0	533.5	617.5
2022	3,437.1	823.2	647.6	-	647.6	170.0	0.3	169.8	5.6	-	5.6	2,613.9	436.4	391.2	45.2	1,447.0	779.3	667.7	730.5
2023	3,837.8	869.0	699.2	-	699.2	165.2	0.1	165.1	4.6	-	4.6	2,968.8	458.3	379.9	78.4	1,600.8	928.8	672.0	909.8
2024	4,230.9	955.9	782.4	-	782.4	170.0	0.1	169.9	3.6	-	3.6	3,274.9	617.7	486.9	130.8	1,702.4	1,017.8	684.6	954.8

Note: more detailed information about this table can be found at the link: http://www.bqk-kos.org/repository/docs/time_series/34/%20Gross%20External%20Debt%20Position.xls**Table 11.2. Public External Debt Repayment Plan**

(In millions of euros: Balance as of December 31, 2024)

Description	One year or less (a few months)						Over one year to two years			Third year	Fourth year	Fifth year	Over 5 years to 10 years	Over 10 years to 15 years	Over 15 years
	Immediate	0 - 3	4-6	7 - 9	10 - 12		13 - 18	19 - 24							
Public Sector External Debt	61.3	-	19.7	16.4	13.9	11.3	57.9	25.0	32.9	59.5	59.0	62.6	169.2	280.8	247.2
The principal	55.1	-	17.3	15.6	11.6	10.6	50.7	22.1	28.7	54.2	54.1	47.7	166.5	280.5	247.1
Interest	6.2	-	2.4	0.8	2.3	0.8	7.1	2.9	4.2	5.3	4.9	14.9	2.7	0.3	0.1
Private Sector External Debt Guaranteed by the Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
The principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	61.3	-	19.7	16.4	13.9	11.3	57.9	25.0	32.9	59.5	59.0	62.6	169.2	280.8	247.2
The principal	55.1	-	17.3	15.6	11.6	10.6	50.7	22.1	28.7	54.2	54.1	47.7	166.5	280.5	247.1
Interest	6.2	-	2.4	0.8	2.3	0.8	7.1	2.9	4.2	5.3	4.9	14.9	2.7	0.3	0.1

Note: more detailed information about this table can be found at the link: http://www.bqk-kos.org/repository/docs/time_series/34/%20Public%20Sector%20Debt%20Service%20Payment.xls

Table 11.3. Gross External Debt - By Creditors

(In millions of euros: Balance as of December 31, 2024)

Description	Total Gross External Debt						
		Gross External Debt excluding Direct Investments					Direct Investment s: Lending between companies
		General Government	Central Bank	Depository Corporation, excluding the Central Bank	Other sectors		
International Monetary Fund	251.2	251.2	81.3	169.9	-	-	-
World Bank	345.0	345.0	345.0	-	-	-	-
IBRD 1/	79.0	79.0	79.0	-	-	-	-
IDA 2/	266.0	266.0	266.0	-	-	-	-
EU 3/	100.0	100.0	100.0	-	-	-	-
KFW 4/	12.3	12.3	12.3	-	-	-	-
CEDB 5/	45.4	45.4	45.4	-	-	-	-
Other creditors	3,476.9	2,522.1	198.3	0.1	617.7	1,706.0	954.8
Total Debt	4,230.9	3,276.0	782.4	170.0	617.7	1,706.0	954.8

Note: more detailed information about this table can be found at the link: http://www.bqk-kos.org/repository/docs/time_series/34h%20Gross%20External%20Debt%20Statistics%20-%20by%20creditors.xls

Table 11.4. Net External Debt Position

(In millions of euros: Balance as of December 31, 2024)

Description	Gross external debt (1)	External assets in debt instruments (2)	Net external debt (3)=(1)-(2)
General government	782.4	0.0	782.4
Short-term	-	-	-
Long-term	782.4	0.0	782.4
Special Drawing Rights (SDR) allocations	-	-	-
Currency and deposits	-	-	-
Debt securities	6.4	0.0	6.4
Loans	776.0	0.0	776.0
Trade loans and advances	-	-	-
Other debt instruments	-	-	-
Central Bank	170.0	1,451.6	-1,281.7
Short-term	0.1	726.3	-726.3
Currency and deposits	0.1	712.0	-711.9
Debt securities	-	14.4	-14.4
Loans	-	-	-
Trade loans and advances	-	-	-
Other debt instruments	-	-	-
Long-term	169.9	725.3	-555.4
Drawing rights allocations (DRAs)	169.9	180.2	--10.3
Currency and deposits	-	-	-
Debt securities	-	545.1	-545.1
Loans	-	-	-
Trade loans and advances	-	-	-
Other debt instruments	-	-	-
Depository corporations, excluding the Central Bank	617.7	1,611.3	-993.6
Short-term	486.9	1,082.9	-596.0
Currency and deposits	413.3	785.8	-372.5
Debt securities	-	224.2	-224.2
Loans	72.6	68.1	4.5
Trade loans and advances	-	-	-
Other debt instruments	1.0	4.8	-3.8
Long-term	70.9	483.5	-412.7
Other sectors	1,706.0	1,479.8	226.2
Short-term	1,017.8	1,375.4	-357.6
Currency and deposits	-	1,319.6	-1,319.6
Debt securities	-	-	-
Loans	465.5	32.2	433.3
Trade loans and advances	552.4	22.4	530.0
Other debt instruments	-	1.2	-1.2
Long-term of which:	688.1	104.4	583.8
Currency and deposits	-	-	-
Debt securities	-	0.5	-0.5
Loans	688.1	103.9	584.2
Direct Investments: Lending between companies	954.8	48.0	906.9
Debt obligations of direct investment enterprises to direct investors	8.2	8.0	0.2
Debt obligations of direct investors to direct investment enterprises	903.1	34.5	868.6
Debt obligations to related companies	43.6	5.5	38.1
NET External Debt (3)	4,230.9	4,590.7	-359.8

Note: more detailed information about this table can be found at the link: http://www.bak-kos.org/repository/docs/time_series/34q%20Net%20External%20Debt%20Position.xls.

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