

THE KOSOVO
BANKER
2025 - 2026

THE NEW HORIZON OF BANKING
HOW TECHNOLOGY AND ARTIFICIAL
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THE KOSOVO BANKER

2025 - 2026

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Kosovo Banking Association (KBA) supports the development of the banking sector and is the representative voice of the banking industry in the Republic of Kosovo. We support member banks to achieve their objectives by providing a platform for advocacy, capacity building and public relations. The banking sector is key to the economic development and prosperity of Kosovo and we help advance this cause. Our main objectives are to create optimal conditions for an innovative, stable, safe and comprehensive banking sector in Kosovo.

Disclaimer: The views expressed in the articles are those of the authors and do not necessarily reflect the positions or policies of the Kosovo Banking Association. KBA is not responsible for the content of the authors' articles and the authenticity of the authorship of the articles published in "The Kosovar Banker" magazine.

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Editorial



Petrit Balija
Chief Executive Officer
Kosovo Banking Association



The Kosovo Banker 2025–2026 edition arrives at a pivotal moment for Kosovo's banking sector – a period in which the developments of 2025 serve as the foundation for the expectations, priorities, and ambitions that will guide the industry throughout 2026.

The country's banks are solidifying their role as engines of economic development, becoming key actors in financing growth, driving innovation, and strengthening the competitiveness of Kosovo's economy in a rapidly changing environment.

In this landscape, the Kosovo Banking Association acts as an essential bridge between the banking industry and the country's economic development goals, raising professional standards, reinforcing institutional cooperation, and aligning the Kosovo banking sector with advanced international practices.

Alongside this role, The Kosovo Banker remains an important platform for information and professional reflection. Its aim is to provide all stakeholders—financial sector experts, businesses, academics, and the wider public—with a clear view of the developments shaping the economy and the banking system, not only in 2025 but also heading into 2026.

The first chapter of this edition focuses on technology and artificial intelligence, addressing the benefits, challenges, cybersecurity concerns, and operational risks accompanying the digital transformation of the banking system.

The second chapter examines the evolution of modern payments, one of the most impactful developments in the functioning of our economy. The expansion of digital payments, the growing use of mobile devices, and the integration of international platforms are creating a much more open and efficient ecosystem—developments that have become standard this year and are expected to deepen further in 2026.

The third chapter highlights the importance of ESG standards and green banking, reflecting not only the steps taken by banks in 2025 but also the strategic directions that will intensify in 2026, with a focus on good governance, sustainable projects, and social impact.

The fourth chapter centers on human capital—talent, professional development, and diversity. In a period of rapid transformation, people remain the key asset that will define the sector's competitiveness in the year ahead.

Meanwhile, the fifth chapter addresses financial stability, financial education, and investment strategies—elements that have shaped 2025 and will be

Interview



equally crucial for 2026, especially in a global environment marked by ongoing uncertainty and structural changes.

Beyond reviewing the developments of 2025, this edition also serves as a strategic roadmap for 2026. The priorities for the coming year include strengthening financial stability; accelerating the digital transformation with a strong focus on cybersecurity; expanding financial education across all segments of society; deepening ESG standards; and increasing targeted investments in human capital development and the integration of new technologies.

In this ongoing journey, The Kosovo Banker remains an essential platform for ideas, analysis, and vision—serving as a guiding reference point for professionals, institutions, and anyone seeking a clearer understanding of the direction of Kosovo's financial system in 2025 and 2026.



Gem Maloku
Chairman of the Board of Directors,KBA
President of Management Board, NLB Bank



"The banking system in Kosovo has a significant impact on the country's economic development, and it can also be one of the key supporters of the continuous improvement of the economic structure. In an increasingly digital environment, the strategic direction of the banking sector is expected to focus on technological transformation, enhancing customer experience, and increasing operational efficiency. This is a necessary phase of evolution that reflects the changing digital habits of customers and the role of technology in every aspect of life."

How do you see the strategic direction of the banking sector in Kosovo in the coming years, within an increasingly digitalized environment?

The banking sector in Kosovo has a significant impact on the country's economic development, and it can play an even stronger role in continuously improving the structure of the economy. In an increasingly digitalized environment, the sector's strategic direction is expected to focus on technological transformation, enhancing customer experience and service delivery, and strengthening operational efficiency. This evolution is essential and reflects the changing digital habits of bank customers. Today, technological development is creating cross-sector effects in all areas of life.

Because of this, banks are expected to increase investment in digital platforms, artificial intelligence, and process automation in order to deliver faster, safer, and more personalized services. This includes developing more advanced mobile applications and digital platforms, expanding online services, and integrating modern technologies into both internal processes and customer-facing operations. NLB has had a strong and dedicated focus on this for several years.

Another key aspect will be compliance with local and international regulations, particularly in data protection and cybersecurity. With increased use of digital channels, banks in Kosovo will need to strengthen their protection systems against cyberattacks and educate customers on digital safety. Banks are also expected to take a more active role in promoting financial inclusion by using technology to reach population segments that currently lack access to banking services.

Which areas should be the highest priority for interbank cooperation in the context of technological transformation and operational efficiency?

Interbank and cross-sector cooperation can move in several directions. In the context of technological transformation and increasing operational efficiency, interbank cooperation in Kosovo is expected to focus



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In a bank that is evolving at a rapid pace, ensuring a balance between innovation, regulation, and customer data protection are sources of trust and sustainability.

on several key areas that can bring mutual benefits to the entire sector.

One of the highest priorities is the standardization of digital infrastructure, including sharing best practices in cybersecurity, developing common APIs for Open Banking, and creating joint platforms for identity verification and digital onboarding. This process involves commercial banks, the Central Bank, and other public institutions. These initiatives increase efficiency, improve customer experience, and strengthen trust in

the banking system by enabling the integration of interbank services and services beyond traditional banking. In this way, the service offering for customers becomes broader and more valuable. At NLB Bank, we are in continuous contact with local and international stakeholders to explore cooperation opportunities in these fields.

Another important area is cooperation in financial education and digital inclusion, where banks can work together to raise public awareness about digital services and reduce the digital gap among different customer groups.

Cooperation in developing shared solutions for regulatory reporting and data analytics can also help reduce costs and improve sector-level strategic decision-making. These areas represent a real opportunity to build a more integrated, innovative, and sustainable banking ecosystem in Kosovo.

How does the banking sector assess the importance of financial education in building a more inclusive and sustainable financial system in Kosovo?

The banking sector in Kosovo considers financial education a fundamental pillar in building a more inclusive and sustainable system. Banks, both individually and in cooperation with the Central Bank, public institutions, and other organizations, regularly organize various activities and workshops dedicated to financial education. These initiatives aim to increase awareness about money management, strengthen financial stability, and improve long-term consumer well-being.

From a strategic perspective, financial education is seen as a tool for improving financial inclusion, especially for groups that traditionally have limited access to banking services. This approach is in line with international practices, where financial education is considered a key factor in increasing trust in the financial system and supporting informed decision-making among citizens.



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The digital habits of young people in Kosovo, like many countries worldwide, are strongly influenced by mobile technology and artificial intelligence.

How is the approach of today's youth toward financial services changing, and what should we learn from their expectations and behaviors?

The digital habits of young people in Kosovo, like many countries worldwide, are strongly influenced by mobile technology and artificial intelligence. Young people in Kosovo are showing an open attitude toward digitalization and are oriented toward fast, flexible, and transparent solutions in the financial sector. They prefer online platforms such as mobile banking applications and e-banking services. They also show a growing preference for services that can be accessed without visiting physical branches. They expect simple, intuitive, and personalized experiences.

This behavior is closely linked to the growing trust in financial technologies, where factors such as service quality, perceived security, and ease of use significantly influence adoption.

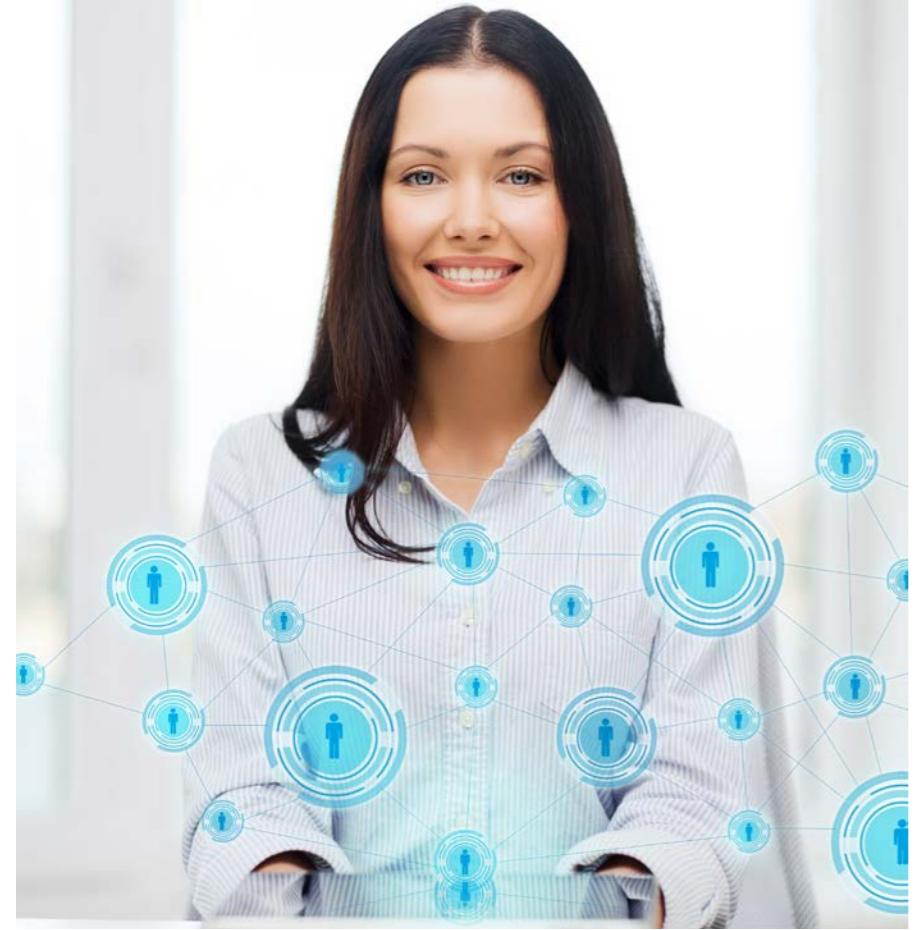
From this new approach, the banking sector can learn that in order to remain relevant for the new generation, it must invest in innovation, digital education, and social inclusion. Young people expect not only financial products but also values and transparency. Banks must build platforms that offer services

while also educating and informing users about personal finance management. This contributes to a more inclusive and sustainable financial system. It also requires integrating the perspectives of young people in the design and development of products and treating them as active partners in shaping the future of the financial sector.

In a sector evolving at high speed, how can the right balance be ensured between innovation, regulation, and customer data protection?

In a rapidly evolving banking sector, ensuring a balance between innovation, regulation, and customer data protection is essential for maintaining trust and long-term stability. This balance can be achieved through a coordinated approach where technological innovation develops in parallel with full compliance with local and international regulations and with strong data protection standards. Banks should establish internal structures that include experts in technology, regulation, and security to ensure that every new product or service is safe, compliant, and customer oriented.

Transparency and customer education also play a crucial role. By informing customers about how their data is used and protected and by explaining their rights, banks fulfill their legal obligations and build stronger and more sustainable relationships with their clients. In this context, cooperation among financial institutions, regulators, and technology actors is essential to create a financial ecosystem that is innovative, secure, and trustworthy for everyone.



What is one concept or approach that may seem challenging or outside the current regulatory scope today, but that you believe will become a fundamental part of how the financial sector impacts society and the economy in the near future?

One concept that is currently seen as challenging but is expected to have a deep impact in the future is Open Banking. This approach allows customers to share their banking data with authorized third parties, such as other banks or fintech companies, through secure APIs. Although Open Banking is not yet fully regulated in Kosovo, it is expected to transform how people interact with financial services by increasing competition, innovation, and financial inclusion. This could eventually lead to open ecosystems where banks, fintechs, and other institutions collaborate to offer personalized and integrated solutions for customers.



One concept that is currently seen as challenging, but is expected to have a deep impact in the future is Open Banking. This approach allows customers to share their banking data with authorized third parties, such as other banks or fintech companies, through secure APIs.

Another development expected to become increasingly present and fully integrated in customer services, not only financial services, is the use of artificial intelligence. Banks such as NLB Bank already use AI tools that help increase productivity and improve processes and services. In the near future, we can expect to see advanced AI systems used in customer communication, improved data analysis to support reporting and decision making, personalized recommendations, and more relevant product offerings. This rapid development will directly increase productivity and efficiency across the economy.

There are several other concepts expected to shape the way we bank in the future. With the fast pace of technological development and the constant emergence of new innovative business models, it is expected that the types of services and the way banks deliver them will continue to evolve. Because of this, the banking sector must remain prepared and adaptable.

Interview



AHMET ISMAILI

Governor of the Central Bank of the Republic of Kosovo



“The banking sector in Kosovo continues to be a key pillar of financial stability and economic growth, with steady credit growth, high liquidity, and a low level of nonperforming loans that reflects strong risk management.”

How do you assess the overall condition of the banking sector in Kosovo in 2025?

The banking sector in Kosovo during 2025 demonstrated very strong performance and continues to remain one of the most important pillars of financial stability and economic growth in the country. The total assets of the banking sector have reached around 8.7 billion euros, which represents about 67 percent of the assets of the financial sector supervised by the CBK, marking an increase of 14 percent compared to the same period of the previous year.

Lending has continued to expand at a rapid and stable pace, recording an increase of 19.3 percent. This indicates a steady demand for financing from both households and businesses, contributing to supporting consumption and investment in the economy.

Bank capitalization and liquidity indicators remain within regulatory requirements, providing confidence that the sector has sufficient capacity to withstand unfavorable macroeconomic scenarios. High liquidity supported by growth in private sector deposits, external financing sources and stable profits provides a strong basis for the continuation of economic financing by banks.

The quality of the loan portfolio is at a historically good level, with non-performing loans at only 2 percent, among the lowest in the region. This reflects good risk management practices by banks, strong repayment performance by borrowers and the overall stable condition of the economy. Stress test results clearly show that banks are able to withstand even challenging scenarios, maintaining stability and demonstrating a high level of resilience. This is a strong confirmation of the sustainability of the banking sector, as also reflected in the latest Financial Stability Report.

In conclusion, the banking sector of Kosovo is financially sound, with stable credit growth, high liquidity and sufficient capitalization. It remains a secure source of financing for the economy and an important factor for the country's financial stability and sustainable development. Naturally, dynamic credit growth requires continuous monitoring to maintain asset quality and

prevent an increase in non-performing loan risk in the coming periods.

What are the main priorities of the Central Bank of the Republic of Kosovo for next year?

The CBK's priorities for the coming year regarding the supervision of financial institutions and the preservation of financial stability will focus on advancing the regulatory and supervisory framework for banks, insurance companies, microfinance institutions and non-bank financial institutions. Ongoing projects will continue to be priorities, including the advancement of reform processes such as SREP for banks, IFRS 17 and Solvency II for insurance companies, the cyber risk framework, as well as climate and environmental risks, macroprudential policies, regulations on crypto assets and advancing the legal framework for other financial institutions supervised by the CBK.



The CBK will commit to strengthening cooperation with financial authorities, participating in regional and global initiatives for financial stability, and providing access to training and technical assistance on risk management and financial policies.



In the area of payments, an important priority remains the implementation of modern payment infrastructure, including the project for fast payments TIPS clone and completion of the SEPA membership process including implementation of the changes it brings for the market. The CBK had completed all preparations within a very short period, managing to submit the pre-application to the relevant institutions of the European Union, but unfortunately the failure to publish in the official gazette the laws approved by the Assembly in December 2024 due to the Constitutional Court procedure for several laws, including those related to SEPA application, caused delays in the review and final application process. In this regard, the publication or non-publication of these laws in the Official Gazette remains critical, as it would enable submission of the final application and meeting of the 2026 deadlines.

In the field of financial education and awareness, the CBK aims to increase public knowledge about its functions, responsibilities and its role in financial stability, as well as to help citizens make informed decisions and better manage their personal finances.

In the field of consumer protection, a priority will be the development of the regulatory and supervisory

framework, ensuring that financial institutions apply the best market practices and provide transparent services. Several regulations are currently being drafted with the aim of advancing the practices of financial institutions, disclosure of products for clients and ensuring complete and adequate information for them.

In the fight against counterfeit money, the CBK will continue the project of creating the system for the fight against counterfeit money in Kosovo, supported by the European Union's TAIEX program and implemented with the Bank of Croatia. This will ensure a supply of euro banknotes and coins in appropriate quantity and quality, increasing international credibility and the country's integration into the European and global financial system. The finalized agreement with the European Central Bank, for the first time at these levels and for the country's single official currency, is a major step toward standardizing CBK procedures in safeguarding the integrity of the euro and the country's integration path.

Within the framework of European integration, the CBK will continue to fulfill its obligations by providing regular reports and actively participating in meetings with domestic and international institutions. Also, regarding international members-

hips, the CBK will work to strengthen cooperation with financial authorities, participate in regional and global initiatives for financial stability and secure access to training and technical assistance for risk management and financial policies.

How are global economic developments affecting the financial system of Kosovo?

As is known, the escalation of trade tensions and geopolitical uncertainties have affected the outlook for 2025, despite stabilization in overall global economic activity.

During the same period, the Eurozone economy marked modest growth in a fragile macroeconomic environment exposed to new risks including trade tensions and geopolitical uncertainties, which can have macrofinancial implications both in the Eurozone and in the region. The slowdown of the Eurozone economy and the ongoing geopolitical tensions influenced the outlook of the Western Balkan countries, which operated in a fragile external environment and weakened demand.

On the other hand, the economy of Kosovo recorded stable growth of 4.4 percent in 2024, supported mainly by private consumption, investments and exports, while the outlook for 2025 remains positive with growth around potential. However, the international challenges mentioned above present potential risks for the pace of growth and may exert additional pressure on inflation and macroeconomic balances.

During the first part of 2025, the financial system in Kosovo continued to expand at high rates, recording faster growth than real GDP growth. This dynamic has contributed to increased financial intermediation,



strengthening the role of the financial system in the country's economy.

The banking sector recorded accelerating growth during the first part of 2025, reflecting the favorable macroeconomic outlook and stable financing demand from households and businesses. Key financial stability indicators remain within regulatory limits.

The rapid credit growth presents potential for increased accumulation of cyclical risks, while the sector's resilience is strengthened by macroprudential measures, along with the decision to increase bank premium contributions to the Deposit Insurance Fund as part of the financial safety net mechanisms. However, the CBK's solvency stress test results show that the banking system has a high level of resilience to macroeconomic and financial shocks even under a severe scenario.

What steps are being taken to promote innovation and digitalization in Kosovo's banking sector?

The Central Bank of the Republic of Kosovo is undertaking a series of important steps to modernize the banking sector and promote innovation and digitalization of financial services in the country, in line with the Strategic Plan 2024-2028. One of the main priorities is the development of a modern payment infrastructure, which will not only improve the internal functioning of the system but also connect Kosovo to the payment systems of the European Union.

The finalization of the law on banks, the law on payment services and the improvements to the AML/CFT law, together with more than 20 new regulations issued by the CBK, have created the legal basis for pre-application for SEPA membership. As noted

PROJECT TIPS CLONE



Bankingu i hapur
(open banking)



Shërbimet e inicimit
të pagesave



Shërbimet e
informacionit mbi
ilogaritë



Pagesa përmes
telefonit dhe QR Code



Pageat në thirrje
(request to pay)

above, this process is linked to the constitutional review of certain laws to receive the necessary assessments and confirmations from EU institutions. This legal foundation is key for ensuring interoperability of systems and enabling fast and secure domestic and cross-border payments in line with European standards.

One of the most important developments is the launch of the TIPS Clone project, which will be implemented by the Central Bank of Italy as part of a project involving five central banks from the Balkans. This project will enable instant payments 24/7/365 with settlement within seconds and, together with the new legal framework, will enable the integration of digital services such as open banking, payment initiation services, account information services, mobile and QR code payments and request to pay. At the same time, it will be one of the most important critical infrastructure projects paving the way for future integration processes, with a system compatible with the EU TIPS system, developed and operated by the Central Bank of Italy.

Through these services, citizens and businesses will have easier and faster access to secure payments, while the financial system will be modernized and integrated with EU standards. The project is planned to be implemented gradually during 2026–2028 and will increase the interoperability of the payment system within Kosovo and the region.

The CBK also supports opportunities for testing innovative financial products with appropriate safeguards, ensuring that innovation develops in line with the legal and regulatory framework and that risks to users and financial institutions are properly managed.

The introduction of payment services through global platforms such as Google Pay and Apple Pay in Kosovo,

with the support and engagement of partners and good cooperation with the banking sector, was an important milestone and marked a practical step in modernizing the payment system according to the highest international standards, alongside the aspect of financial integration and the country's international positioning.

In parallel with technological developments, CBK will continue financial education campaigns and training for citizens and businesses to increase the use of digital payment platforms and raise awareness about security risks in the digital environment. This educational element is as important as the infrastructure itself because it ensures adoption of new services and proper risk management.



The CBK will continue with financial education campaigns and training for citizens and businesses, to increase the use of digital payment platforms and to inform about security risks in the digital environment.

For the implementation of these projects, CBK is cooperating with international partners such as the World Bank and the International Finance Corporation. The joint project, which will last until the end of 2027, aims to transform the payments and digital financial services environment, including increasing financial inclusion,

reducing payment costs and developing digital services at a European level.

How is the Central Bank of the Republic of Kosovo working to strengthen financial stability and public confidence?

The supervisory activities of the financial sector have been carried out in accordance with the mandate of the CBK to preserve financial stability and to ensure the sustainable functioning of financial institutions operating in Kosovo. In this context, the CBK has continued risk-based supervision, which focuses on identifying and assessing key risks that may affect the financial health of individual banks and the system as a whole.

With the support of the IMF, the CBK is working to strengthen the Supervisory and Macroprudential Framework, specifically to advance the SREP supervisory framework. In this regard, the Implementation Roadmap for the Supervisory Review and Evaluation Process has been approved, taking into account the specifics of the banking sector, to ensure that supervisory practices are appropriate and proportionate to the size, scope and complexity of the Kosovo banking system. The SREP model provides a more structured and comprehensive

framework that includes the assessment of business models, internal governance systems, key risks such as credit, operational, market and liquidity risk, as well as the adequacy of capital and liquidity of each bank in relation to their risk profile. Detailed guidelines and methodologies are currently being developed to ensure full and harmonized implementation of this model in line with the practices of the European Banking Authority (EBA) and the Basel Committee on Banking Supervision.

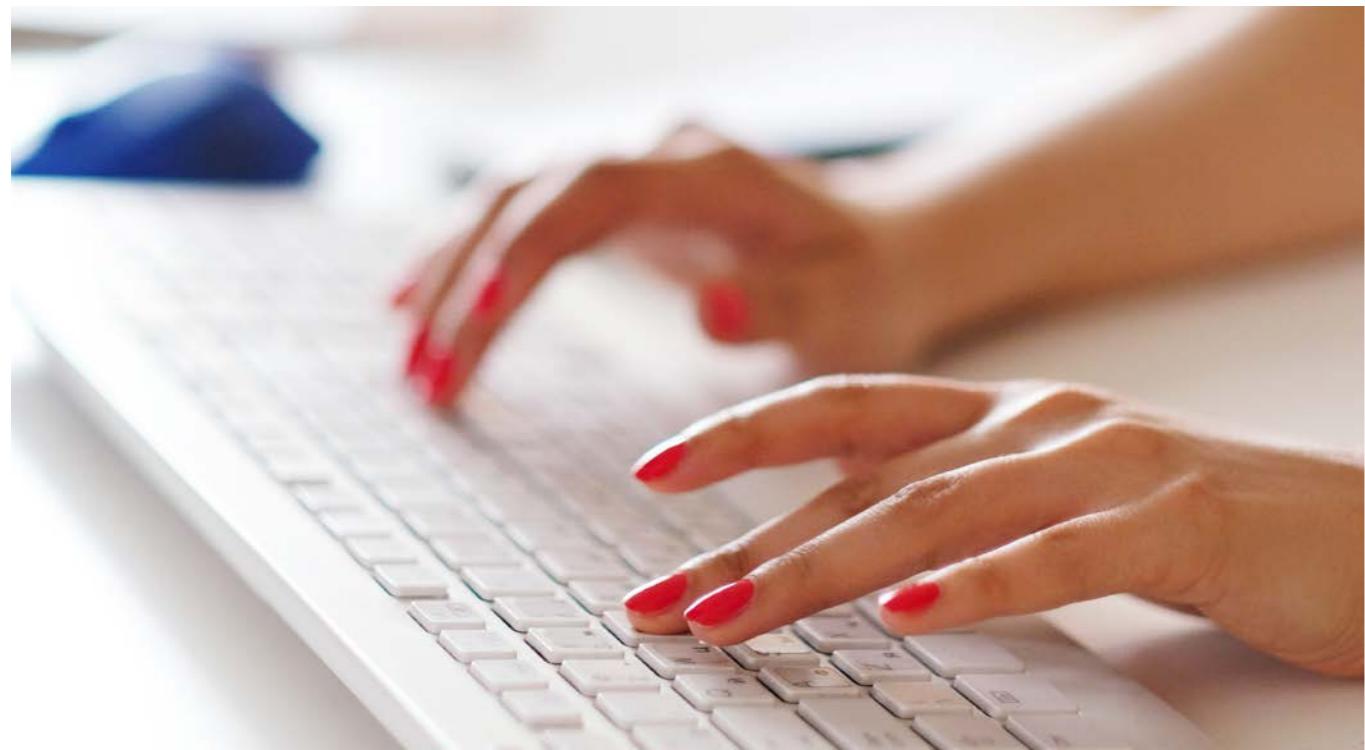
The CBK has also advanced the regulatory framework for the insurance sector by making the necessary amendments and supplements to the Risk Based Supervision Manual for insurers, based on recommendations from the World Bank Technical Assistance and grounded in best supervisory practices that can be implemented in financial systems of similar size and complexity to ours. Alongside the changes made to the Manual, and with the aim of advancing and increasing the focus on the risk-based approach, risk assessment and control function guidelines have been prepared along with the Intervention Stages based on risk assessment, further completing and strengthening risk-based supervision.

The CBK, with support from the World Bank, is working intensively to facilitate an easier and more efficient transition from IFRS 4 to IFRS 17, as well as the adaptation of Solvency II in accordance with guidelines provided by the World Bank. The implementation of this standard is not seen solely as a requirement for compliance with international standards but as an essential pillar for strengthening transparency, sustainability and comparability in the financial reporting of the insurance sector.



The SREP model provides a more structured and comprehensive framework, which includes the assessment of business models, internal governance systems, key risks, such as credit, operational, market and liquidity, as well as the adequacy of each bank's capital and liquidity.





During examinations, the compliance of pension funds with CBK legal and regulatory requirements was assessed, including asset management, risk control, the functioning of governing bodies and the effectiveness of internal control systems. Special attention was given to the assessment of risk profiles including investment risk, operational risk and governance risk. As part of the examinations, the implementation of recommendations raised in CBK examination reports was also reviewed, with the aim of safeguarding the pension assets saved by contributors and maintaining the financial stability of the funds.

The CBK is also in the process of reviewing emergency liquidity assistance, in line with best international practices, a project being developed with professional assistance from the IMF.

In implementing its primary objective of maintaining financial stability, the CBK has intensified the monitoring and assessment of systemic risks through a structured and continuous approach, in accordance with international standards and practices. For macroprudential supervision and to strengthen the resilience of the banking sector, the CBK has advanced the regulatory framework and approved the Regulation on Macroprudential

Capital Buffers, in accordance with European Union regulations and directives and in harmony with the macroprudential policy of the CBK.

According to the regulatory framework in force, the CBK sets the countercyclical buffer rate for banks in the Republic of Kosovo, expressed as a percentage of the total risk-weighted exposures, in the interval of 0 percent to 2.5 percent. However, the CBK may set a rate above 2.5 percent when justified by the assessment of capital preservation needs.

These macroprudential buffers aim to strengthen the banking system through a capital-building approach, reflecting established practices of

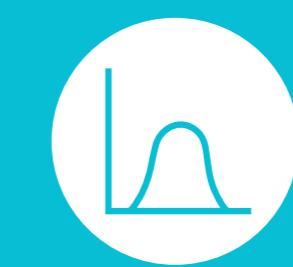
The CBK, with the support of the World Bank, is working intensively to enable a smoother and more efficient transformation from IFRS 4 to IFRS 17, as well as the adoption of Solvency II in accordance with the guidelines accepted by the World Bank. The implementation of this standard is not seen simply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

European Union countries and in consultation with international partners, with a direct contribution to increasing the resilience of the sector, also supported by the increased contribution of banks to the KDIF in terms of premiums and insured deposit coverage. Furthermore, the new financial sector project with the World Bank foresees reforms to the level of deposit coverage, which will be addressed in the new deposit insurance law expected to be finalized during 2026. This project nevertheless remains subject to ratification by the Assembly of the Republic of Kosovo to become effective.

At the same time, the CBK has established the Department for the Supervision of the Capital Market, Microfinance and Non-bank Financial Institutions, Payments and Electronic Money, continuously advancing the regulatory and supervisory framework. Most recently, the regulation on Licensing of Crypto-Asset Service Providers has been approved, which sets out the legal, regulatory and procedural requirements for the operation of these providers, whether with fiat money including ATMs or with crypto-assets, following the approval of the Law on Crypto-Assets.

The CBK has also established the Department for Bank Recovery and Resolution, through which the CBK exercises its role as the resolution authority, with the aim of preserving the stability of the banking and financial sector as a whole, supported by the World Bank (FinSAC) for the operationalization of this function. As the Resolution Authority, the CBK has the competence to take early and rapid intervention measures when a bank is considered likely to fail, with the objective of ensuring the continuity of critical functions, minimizing the

CBK DETERMINES THE COUNTER-CYCLICAL SURCHARGE RATE FOR BANKS IN THE REPUBLIC OF KOSOVO



Normal interval



When capital preservation is required

impact of a bank failure on financial stability and protecting public funds.

The CBK has contributed directly 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 positively evaluated in obtaining this rating. The CBK also carried out structured and proactive engagement with the World Bank and the IMF regarding changes to the methodology for reviewing classification and removing the -





Republic of Kosovo from the list of conflict-affected and fragile states, which is expected to contribute further to foreign investment.

In support of increased financial inclusion, the full implementation of the basic accounts regulation had an impact, reaching nearly 400,000 such accounts. During this period, the network of financial institutions and services expanded, with the number of CBK-licensed financial institutions in the northern part of the country nearly tripling, alongside ensuring legality in the operation of institutions only with CBK licenses, with the aim of providing safe services to all citizens of the Republic of Kosovo. Another activity undertaken to increase transparency, competition and consumer empowerment was the pilot launch of the financial products and services comparison platform, which continues to be advanced to achieve full functionality and sectorwide coverage. This

platform already has its approved regulation and will be officially launched in September through an official ceremony.

Throughout the year, the CBK fulfilled all tasks arising from the programs with the International Monetary Fund, which were successfully completed, strengthening institutional credibility and commitment to economic development objectives and protection from external shocks, as well as creating additional financing space if needed.



The CBK has established the Department for Bank Recovery and Resolution, through which the role of the CBK's resolution authority is exercised, with the aim of maintaining the stability of the banking and financial sector in general, with the support of the World Bank (FinSAC) for the operationalization of this function.

The CBK has advanced public communication and institutional transparency. This year, the CBK undertook consistent steps to transform the way it informs and engages with citizens, media and other stakeholders. The CBK significantly improved and expanded public communication through announcements published across all official channels, aiming to ensure comprehensive and transparent information on the institution's activities and responsibilities. A very important development during 2024 was the redesign of the official website and financial education platform. The new website features a modern design and is aligned with interna-

tional practices for transparency, security and inclusiveness, offering clear structure, easy navigation and organized content. New features include a dynamic activity calendar, advanced search options, filtering and sorting according to user needs, and a multimedia gallery with visual and video content.

Together with the IMF, the Central Bank Transparency Code Project was also implemented, further advancing transparency toward the public regarding functions related to the CBK mandate.



NEW WEBSITE FUNCTIONS



Dynamic calendar of activities



Advanced search option



Filtering and sorting information



Multimedia gallery

What message would you give to commercial banks in Kosovo and their clients for 2025-2026?

First, while thanking you for the interview and for the proper cooperation with your association, I take this opportunity to express my respect for the work of the thousands of employees in the financial sector and my appreciation for their correctness and high responsibility toward all clients or recipients of financial services in the proper implementation of contractual rights and obligations as well as applicable legislation of the financial sector. Gratitude also goes to the staff of the CBK for their dedication and daily engagement in implementing the constitutional and legal mandate, as well as to other public institutions for their cooperation to date.



The CBK and I as Governor remain committed to advancing the financial sector according to the highest European standards based on the strategic plan, with dedicated and professional staff, and the continuous support of the CBK's governing and supervisory bodies.

The message for commercial banks is to continue applying best market practices with full respect for the regulatory and supervisory framework, contributing to the preservation of financial stability. Banks are encouraged to support the economy through sustainable and secure lending, strengthen risk management capacities and invest in digital transformation. The CBK expects banks and insurance companies to prepare for implementing the new requirements arising from ongoing projects such as SREP, IFRS 17, Solvency II, the framework for cyber risk as well as climate and environmental risks, and macroprudential policies. Banks should also be active and ready in implementing modern payment infrastructure,



including the TIPS clone instant payment project and the start of the SEPA project, increasing transparency and service quality for clients. For this, it is important to underline the full support from the banking sector for these initiatives, contributing to the sector's preparatory work for their efficient implementation.

For citizens and bank clients, our message is to continue using financial services with full information, reducing unsafe practices and cash usage as much as possible. They should maintain full confidence in the financial system, which is well capitalized and prepared for modern reforms, use digital services safely and benefit from new opportunities for more efficient payments and broader financial inclusion.

The CBK works continuously to advance financial stability, protect consumer interests and ensure a sustainable supply of money to the economy, through strategic partnerships, consistently increasing public trust in the financial system and institutional credibility in the international financial community.

The CBK and I as Governor remain committed to advancing the financial sector in accordance with the highest European standards, based on the strategic plan, with dedicated and professional staff, the continuous support of the governing and supervisory bodies of the CBK, support from international partners and peer central banks, as well as a supervisory and collaborative dialogue with the financial sector.

Interview



Iliriana Toçi
Member of the Management Board
Raiffeisen Bank Kosova



“Instant payments and SEPA integration enable faster, cheaper and more transparent transfers for both individuals and businesses. Clients can make transactions 24/7, while businesses improve liquidity and reduce delay-related risks. These services increase the efficiency of banking operations and serve as a catalyst for economic development.”

Considering that Raiffeisen Bank Kosovo is a leader in digital services in Kosovo and that you are a member of the Management Board of this bank with extensive experience in Retail Banking, how do you assess the progress of the digital transformation of banking services to date?

In recent years, the digital transformation of the banking sector has advanced rapidly, with banks constantly introducing new and innovative services. For us, this transformation is one of our top strategic priorities, and we're proud of the results so far — today our services are simple to use, secure, and fully designed around the customer. It's exactly because of these achievements that we were recognized this year with the prestigious award of 'Best Digital Bank in Kosovo.'

Today, our mobile app offers a wide range of features, from opening an account online - as the first in the market to make this possible without visiting a branch - to accessing daily banking products, applying for credit, and managing personal finances. These advancements have also been supported by the introduction of the digital wallet for our customers and the development of the 'Soft POS' channel, which allows businesses to accept payments directly through their smartphones. With the launch of instant card payments, we once again led the way by introducing a new service to the market, enabling immediate money transfers both within Kosovo and abroad.

All of this transformation has led to the fact that today, 98% of transactions are carried out through electronic channels. This year alone, we have seen an extraordinary 81% increase in the total number of transactions, along with a 24% rise in the use of our mobile app. The same trend of relying on digital channels for daily banking has also extended to sales, where volumes have tripled, with 50% of personal loans now completed online and 70% of accounts opened through our online platforms.



Financial education is a key part of our digital transformation strategy. In the first half of 2025 alone, we sent over 5 million educational communications to our customers.

How important is financial education for increasing the use of digital banking products and services, and what are the main challenges that clients face in using these services?

In today's increasingly digital world, we've committed ourselves to making banking modern, easy, and secure for everyone. But technology alone isn't enough — financial education also plays a key role. If customers don't understand the products or how to use them, we can't really expect them to embrace these services fully.

With that being said, we've made financial education an integral part of our digital transformation strategy. Through awareness campaigns, training sessions, and direct assistance in our branches or digital channels, we aim to bring customers closer to our services in the simplest and most understandable way. From the very first day of working with us, both individual and business clients receive clear and educational communication about the services we provide. This commitment has resulted in more than 5 million messages sent to our clients in just the first half of 2025.

Beyond direct communication and social media, we also focus on creating new products and initiatives designed to educate customers of all ages. One of our most innovative projects is bringing Minecraft game into schools. Through this fun and interactive platform, we help children learn the basics of financial management and how to use technology in a way that matches their learning style. Another example is the debit card for children — a product managed by parents that helps build financial literacy among the younger generation.

Instant payments and SEPA integrations are becoming a reality for the banking sector in Kosovo. How do you see the benefits for individual clients and businesses, and what will be the overall impact of these services on your bank's operations?

Instant payments and integration into the SEPA system are two key steps in modernizing and aligning our country's financial system with Europe. For us, these developments are an exciting opportunity to deliver more value and improve the customer experience. Put simply, SEPA makes transferring money across European countries faster, cheaper, and more transparent.

From the customer's perspective, instant payments mean being able to make transactions in real time, 24/7 — eliminating the waiting times that were often unavoidable in the traditional banking system. This greatly improves financial flexibility and personal money management. For businesses, the benefits are just as important. Instant payments increase efficiency in managing liquidity and cash flow for companies of all sizes. Businesses can receive and make payments in real time, improving liquidity and reducing the risk of delays that could negatively impact their operations. On top of that, SEPA integration gives them the opportunity to expand into European markets with lower costs and simpler financial processes.

The implementation of instant payments and SEPA integration represents a strategic investment that will impact several key aspects of our operations and services. First, it allows us to significantly improve customer service by increasing the speed and transparency of financial



transactions. At the same time, these technological developments will further automate our processes, reduce operating costs, and increase internal efficiency. We strongly believe that instant payments and SEPA integration will serve as catalysts for broader economic development.

What impact do you think Artificial Intelligence will have on customers' banking experience, and how do you see the role of further innovation in the development of new banking products?

AI is enabling us to deliver more personalized, faster, and smarter services, transforming the way banks understand and serve their customers — and this impact will only deepen in the future. We've started rolling out several AI-based projects to improve service quality, boost internal efficiency, and make every customer interaction with the bank smoother. One of the biggest steps forward is Raia, our virtual assistant built with advanced AI technology. Raia gives customers real-time answers to their questions across our digital channels, in line with the latest global trends in intelligent chatbots. This brings fresh value to our market by offering a faster, more personalized, and more reliable way to communicate. And we're just getting started — we'll keep developing even more in this direction.

From the customers' perspective, "instant" payments mean that they will be able to conduct transactions in real time, 24/7, thus eliminating the waiting time that was often necessary in the traditional banking system.

According to your assessment, how is the progress in increasing access to financial services for the citizens of Kosovo, considering that many services are now offered under favorable conditions and some services are even free of charge?

We've played an important role in improving access to financial services for the people of Kosovo. By offering a wide range of services on favorable terms — including some free products — the bank has helped lower financial barriers and made it easier for citizens to take part in the formal financial system.

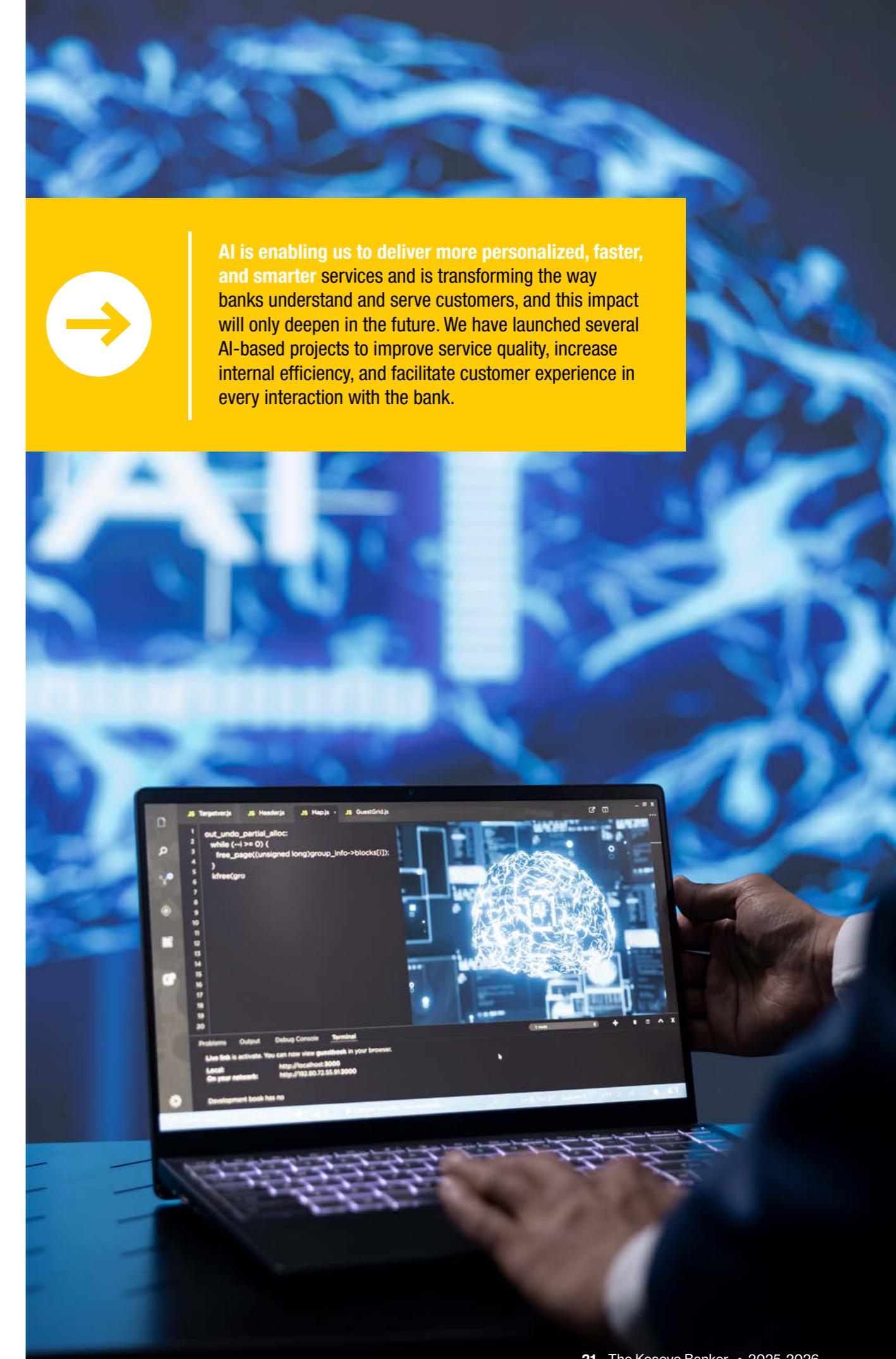
Over the years, the range of products offered by the bank has steadily

expanded, with a clear focus on the specific needs of different customer segments. Through market segmentation, the bank aims to include all clients by designing tailored offers and products that fit each customer's needs.

For instance, we give our clients the option to get a children's card at no extra cost, helping kids start using digital payments from an early age. In addition, based on the needs of young people, we offer a current account package with essential daily banking services, without any activation or monthly maintenance fees. And the fact that we're present across the entire territory of Kosovo has also made it easier to include more citizens in the formal economy.



We offer a current account package with essential everyday banking services without activation or monthly maintenance fees.



AI is enabling us to deliver more personalized, faster, and smarter services and is transforming the way banks understand and serve customers, and this impact will only deepen in the future. We have launched several AI-based projects to improve service quality, increase internal efficiency, and facilitate customer experience in every interaction with the bank.

IT Security Solutions

Identity. Security. Compliance

Nga sfidat te përputhshmëria

Eksperzitë e besueshme
për mjedise kritike

Rreth Nesh

Ne mbrojmë thelbin e biznesit tuaj – identitetin dhe qasjen. Me përvojë të thellë, teknologji të avancuara dhe njohuri të forta mbi kërkesat rregullatore, ne ofrojmë zgjidhje sigurie të personalizuara që përshtaten me realitetin dhe sfidat e organizatës suaj.

Pse të na zgjidhni ne?

Shërbim i plotë nga fillimi deri në fund

Nga strategjia dhe dizajni fillestar, deri te implementimi, operimi dhe mbështetja e vazhdueshme – ne jemi në çdo hap me ju.



Compliance Ready

Zgjidhet sipas standardeve ndërkombëtare (NIS2, DORA, ISO 27000 dhe NIST) duke garantuar siguri që përmbush çdo kërkesë ligjore e rregullatore.

Qasje e bazuar tek klienti

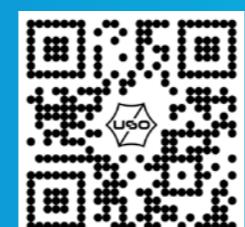
Çdo kompani është unike. Ne krijojmë zgjidhje që i përshtaten objektivave dhe nevojave të biznesit tuaj – jo të kundërtën.

Ekosistem i fuqishëm partnerësh

Falë partneriteteve me prodhues dhe ofrues globalë të teknologjisë, ju përfiton qasje në zgjidhjet më të avancuara të sigurisë në treg.

Shërbimet Tona

- **Identity & Access Management (IAM)**
- **Privileged Access Management (PAM)**
- **Identity Governance & Administration (IGA)**
- **Identity Threat Detection and Response (ITDR)**
- **Software Supply Chain Security (SSCS)**
- **Advisory & Strategy**
- **Implementation & Integration**
- **Managed Services & Support**



DIGITAL TRANSFORMATION
AND ARTIFICIAL
INTELLIGENCE (AI)

01



Ali Krasniqi, MSc, CAMS
Head of AML/CFT Department
Banka Kombëtare Tregtare Kosovë Sh.A.

The role of technology in the fight against money laundering

"Traditional approaches are no longer sufficient to address the complexity and continuous evolution of money laundering methods. Advanced technologies, such as artificial intelligence and real-time data analytics, are providing more powerful and accurate tools for identifying and preventing these activities."

Introduction
Money laundering is a structured and sophisticated process aimed at disguising the illegal origin of proceeds obtained from criminal activities such as corruption, drug trafficking, financial fraud, theft, or tax evasion. This process typically unfolds in three main stages: placement, layering, and integration, and involves a series of complex transactions designed to create a legal façade for illicit funds.

Money laundering has a profound impact on the economy, undermining the foundations of fair competition,

challenging the stability and integrity of the financial system, and contributing to the expansion and persistence of criminal activities.

As money laundering methods become increasingly complex and criminal operations easily extend beyond borders, traditional approaches to identifying suspicious activities are proving to be increasingly limited in their effectiveness. As a result, the integration of technology, especially artificial intelligence (AI) and advanced data analytics, has

become essential in confronting this global-scale challenge.

TRADITIONAL APPROACH TO MONITORING TRANSACTIONS AND IDENTIFYING SUSPICIOUS ACTIVITIES

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Historically, efforts to combat money laundering have relied primarily on rule-based systems and manual controls, designed to flag behavior that deviates from standard patterns of financial activity.

Historically, efforts to combat money laundering have relied primarily on rule-based systems and manual controls, designed to flag behaviors that deviate from standard financial activity patterns. These systems operate based on predetermined monetary thresholds and predefined scenarios, aiming to identify activities that fall outside the usual norm.

Although they have played an important role in establishing early compliance frameworks, these approaches face major limitations. One of the key challenges is the high number of false positives, which not only overwhelm the human resources of financial institutions but also risk diverting attention from genuinely risky cases.

Another critical shortcoming is the lack of operational context and the limited ability to dynamically and personally analyze a client's financial behavior. For instance, a rule-based system may flag a transaction as suspicious solely because it exceeds a certain monetary threshold, without considering that it may be part of routine business activity or consistent with the known customer profile. This inability to incorporate broader circumstances directly affects the

accuracy of analysis and the overall effectiveness of the system.

Moreover, such systems rarely adapt to the evolution of money laundering methods, which are becoming more sophisticated and harder to detect using conventional tools. The mismatch between the static nature of traditional approaches and the dynamic nature of financial crime creates gaps in the chain of prevention and monitoring.

These challenges highlight the need for a technological transformation of existing approaches, paving the way for more intelligent, automated, and adaptable solutions aligned with emerging developments.

MODERN APPROACHES: IMPLEMENTING ADVANCED TECHNOLOGY IN THE FIGHT AGAINST MONEY LAUNDERING

Faced with the limitations of traditional approaches, financial institutions are increasingly turning to advanced technologies, which offer more dynamic and tailored responses to the complex and evolving nature of money laundering techniques. At the heart of this transformation are artificial intelligence (AI), machine learning, and real-time data analytics, technologies that enable a more proactive and effective approach to identifying and preventing suspicious activities.

These technologies can process vast volumes of data from diverse sources, including transaction histories, customer behavior patterns, as well as external data such as sanctions lists, media publications, and open-source intelligence. Modern algorithms continuously learn from real customer

behaviors and identify deviations from standard financial activity patterns.

Unlike traditional systems based on fixed rules, modern platforms use adaptive algorithms that continuously improve based on new data and evolving risk patterns. This significantly reduces false positives, increases detection accuracy, and accelerates institutional responses to risks.





For example, an advanced system may analyze a series of transactions that appear ordinary at first glance but, in a broader context, including high-risk jurisdictions or complex payment structures, may indicate a sophisticated money laundering scheme. In this context, technology serves not only as an effective detection tool but also as a real-time preventive instrument. However, integrating advanced technologies is not without challenges. One key issue is understanding how algorithms reach their conclusions.

Furthermore, the success of these systems depends on rich and high-quality data, which is not always available or standardized. Institutions also face the need for internal technical capacity to develop, maintain, and ethically oversee these systems.

This technological transformation, though accompanied by challenges, is essential for building a more resilient system capable of confronting evolving risks.

CONCLUSION

Traditional approaches are no longer sufficient to address the complexity and continuous evolution of money laundering methods. Advanced technologies, such as artificial intelligence and real-time data analytics, are providing more powerful and accurate tools for identifying and preventing these activities.

Integrating these technologies with human expertise and risk-based approaches is no longer an option but a necessity.



Fatmir Hasani
Information Security Manager
Ziraat Bank Kosova J.S.C

From a Single Click to a Compromised Network – How a Cyber Attack Occurs

“However, no technology can replace the importance of employee education. In the case of the simulated attack, the first click was a human action, and therefore, awareness and regular training are the most powerful defense an institution can have.”

Cyber attacks are persistent threats that can cause significant damage to institutions. A simple action, such as clicking a link in a fake email, can be the starting point of a breach that compromises both the network and critical data.

Example: On a regular workday, an employee at an institution receives an email that appears to be from their manager. The email contains an attachment titled “Q2 Budget Report” and a short message: “Please review this document and get back to me as soon as possible.” Without hesitation, the

employee clicks on the document — and within seconds, the device is compromised. One single click was enough to open the door to a cyber attack.

This scenario is not just hypothetical — it represents a simulated cyber attack.

But how does such an attack actually work, and how can it be stopped?

PHASE 1: Phishing Email

The first step in most cyber attacks is “phishing,” an old but still effective technique that uses email as a tool to trick the victim into clicking a link or opening a file. At this stage, the attacker has already done background research on the user and the institution by gathering public information from social media, official websites, and other sources. The goal is to craft a message that looks as believable and personalized as possible. Phishing, as part of social engineering, relies on manipulating the user – often using urgency, authority, or fear – to push them into taking quick action without considering the risks.

PHASE 2: Initial Access The Entry Point

Once the attachment sent via email is opened, a malicious program (malware) is silently installed on the victim’s device. This malware may be a Trojan – a Remote Access Tool (RAT), a keylogger, or a Command and Control (C2) component that automatically downloads additional malicious software from attacker-controlled servers. At this point, the attacker has secured a stable foothold within the organization’s network. This stage marks the shift from deception to execution. The compromised device becomes a gateway to explore internal resources, allowing the attacker to collect credentials and identify high-value systems.

PHASE 3: Lateral Movement and Internal Network Compromise

Gaining initial access is just the beginning. The attacker’s goal then expands to compromising other systems within the internal network to maximize control and damage. Using techniques such as privilege escalation, credential harvesting, and vulnerability exploitation, attackers move laterally across the network. This allows them to access sensitive servers, databases, and critical infrastructure components that may contain valuable data or control operational processes. This phase is critical because it transforms a single point of compromise into a widespread breach that may impact entire departments or business units. Without timely detection, attackers can exfiltrate large amounts of data, disrupt services, or deploy ransomware across other systems.

PHASE 4: Malware Execution

Once installed, the malware can perform various actions depending on the attack’s purpose, including:

- Data theft: Extracting confidential information or user credentials
- Ransomware deployment: Encrypting data and demanding payment for its return
- Sabotage: Disabling or destroying critical infrastructure
- Monitoring: Observing user activities and communications

The longer malware remains undetected, the greater the potential damage. Sophisticated attacks often use techniques to evade antivirus detection and mimic legitimate processes.

PHASE 5: Detection and Incident Response

An institution’s ability to defend itself heavily depends on its cybersecurity infrastructure. Modern infrastructures use advanced tools to continuously monitor devices for suspicious behavior. AI-based systems significantly enhance an organization’s ability to detect and respond to security incidents. These systems not only enable early threat detection but also support effective response actions to minimize damage, ensuring continuous protection in an ever-evolving infrastructure.



Darktrace uses artificial intelligence to build a detailed model of normal network behavior and monitors the network in real time to detect anomalies. By leveraging deep learning algorithms, Darktrace can predict and stop potential threats before they cause serious damage.



Splunk is a powerful platform for security data management and analysis that integrates AI to monitor network events and identify suspicious patterns. It uses statistical models and machine learning algorithms to detect threats such as phishing attempts, unauthorized access, and abnormal user activity.

ARTIFICIAL INTELLIGENCE AS A DEFENSIVE MECHANISM

Artificial Intelligence (AI) is becoming an increasingly integral part of modern cybersecurity strategy. Using machine learning algorithms, AI analyzes large-scale data and identifies risks more quickly and accurately than traditional methods.

AI in cybersecurity enables:

- Advanced phishing detection: AI identifies language patterns and behavioral signals that often bypass traditional filters.
- Behavioral monitoring: Detects deviations from typical user or system behavior.

- Automated threat response: AI can isolate infected devices, disable compromised accounts, or block malicious IP addresses in real time.
- Continuous learning and adaptation: AI improves itself continuously based on new threats it encounters.

Through AI, institutions significantly enhance the efficiency and speed of their response to attacks.

ONGOING EMPLOYEE EDUCATION

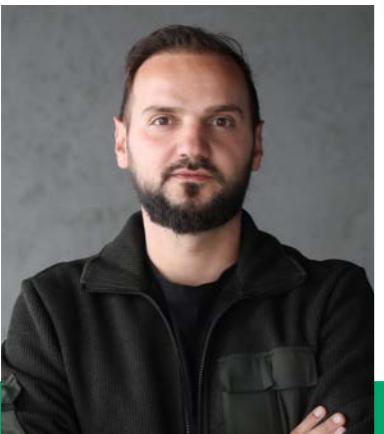
However, no technology can replace the importance of employee edu-

cation. In the case of the simulated attack, the first click was a human action – which is why awareness and regular training are the most powerful defenses an institution can have.

Employees should consistently participate in security awareness training, use strong passwords, and report any unusual behavior immediately.

CONCLUSION

Cyber attacks are no longer a matter of “if” but “when.” Security begins with awareness, is strengthened by technology, and is solidified through intelligence.

**Tanzer Abazi**

Head of Information Security
Teb Kosova

How RAG empowers small, overloaded teams to strengthen cyber defense

"A teammate who never tires, never forgets, and always has the right answer, from compliance to vulnerabilities, from risk to red teaming. That's what RAG brings to your security team"

Banks today face a dual challenge. On one side, cyber threats are evolving at a pace that keeps even the best security teams awake at night. On the other, regulators demand strict compliance, ongoing audits, and proof that every control is in place. For large institutions, this is a heavy lift. For smaller Information Security (InfoSec) teams sometimes just five people responsible for defending networks, testing weaknesses, and keeping up with governance, compliance, and risk, the load can feel impossible.

This is where new technologies come in. Retrieval-Augmented Generation (RAG) is not just another AI buzzword. It's a practical way to help small security teams scale their capacity without hiring dozens of new staff. And when combined with AI Agents systems that don't just answer but also act banks can reduce the repetitive, manual work that eats up valuable time, and focus on what really matters, protecting customers and maintaining trust.

WHAT MAKES RAG DIFFERENT

At its simplest, RAG is an AI system that doesn't rely on generic internet data. Instead, it retrieves information from the bank's own internal knowledge base, policies, audit reports, compliance frameworks like NIST, DORA, PCI DSS or ISO 27001, vulnerability scans, even threat intelligence feeds.

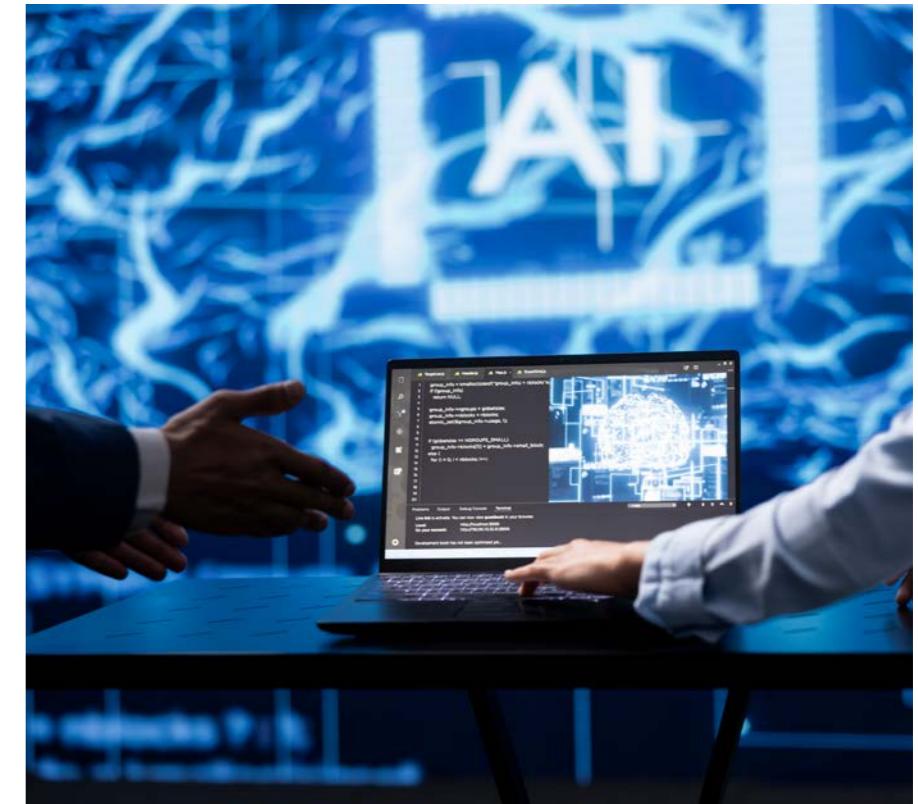
Think of it as a colleague who has read all the regulations, every past audit, every incident report, and can instantly pull out the right piece of information when you need it.

When asked, "Are we compliant with the latest SOC 2 Type 2 controls?" a RAG system can pull from your own documentation and summarize the bank's current posture, highlighting any gaps. Or when it's time for the quarterly audit, it can generate a draft summary of all vulnerabilities patched in the last three months complete with references to existing reports.

The real value is that this is not a "black box." Answers can be traced back to the documents they came from, which means auditors, regulators, and managers can trust the results.

HOW IT WORKS IN PRACTICE

RAG system follows a clear process. It begins with ingestion, where all relevant documents, policies, incident reports, vulnerability scans and more are collected into one place. These documents are then broken down into searchable pieces through a process called chunking and embedding, which transforms the text into mathematical representations stored in a secure database. When a team member asks a question, the system moves into the retrieval stage, searching the database for the closest matches. Finally, through augmentation and generation, the retrieved information is combined with the question and passed to a language model, which produces a clear, accurate answer and cites the sources it relied on. In practice, this means a five-person InfoSec team no longer needs to spend hours digging through folders or cross-referencing frameworks they can simply ask, and get documented, verifiable responses in seconds.



REAL APPLICATIONS FOR BANKS



A RAG system follows a clear process. It starts with collection, where all relevant documents such as policies, incident reports, vulnerability scans, and more are gathered in one place.

The uses of RAG in banking information security are wide-ranging. In governance and compliance, it can compare internal policies against frameworks like PCI DSS or DORA, highlight any gaps, and even draft compliance reports for auditors. In risk management, it helps summarize audit findings and produce prioritized risk lists based on vulnerabilities and incidents. For blue team operations, RAG can turn complex SOC and SIEM logs into clear daily or weekly summaries that highlight anomalies, while for red team testing it can cross-reference penetration test results with known CVEs and recommend remediation strategies. Even in incident response, where time is critical, RAG proves valuable by instantly pulling up runbooks and suggesting next steps.

aligned with standards such as ISO 27035 or NIS2.

BEYOND RAG: THE ROLE OF AI AGENTS

If RAG is the colleague who always has the right document ready, AI Agents are the teammates who take action. They don't just provide information; they automate processes.

The role of AI Agents goes beyond simply answering questions — they take on tasks and help automate security operations. For example, they can handle audit preparation by gathering evidence, cross-checking it against compliance frameworks, and organizing it for review. They can also triage alerts by analyzing SIEM data, assigning severity levels, and routing them to the right analyst. In addition, agents can run daily compliance checks to ensure policies remain aligned with regulations such as DORA or PCI DSS, immediately notifying the team if a gap is detected. And in the heat of an incident, such as a ransomware attack, an AI Agent could automatically pull up the response plan, alert stakeholders, and even draft the first internal report.

This is about freeing up human analysts to focus on decision-making instead of being buried in administrative tasks.

RESPONSIBLE AI IN BANKING

Of course, banks operate under strict policies when it comes to technology adoption and many have written rules against the use of public AI models. This is where RAG shows its real strength. Unlike consumer-facing tools, RAG can be built fully private, on-premises, and under the bank's control.

Instead of sending sensitive data to external servers, the system runs inside the bank's own infrastructure. Open-source models like Llama or Mistral can be deployed securely, meaning no customer data leaves the organization and no responses are "shared" with other institutions. This approach aligns with responsible AI principles: protecting privacy, maintaining compliance, and ensuring transparency.

In other words, banks don't have to choose between innovation and regulation. With the right setup, they can have both.

WHY THIS MATTERS

The benefits of RAG for banks are clear and measurable. It improves efficiency by cutting down the hours spent on manual searching and reporting, and it enhances accuracy by grounding answers in actual documents, reducing the chance of human error. It also provides scalability, allowing a small team of five to perform at the level of a much larger department. From a compliance perspective, it ensures audit readiness by keeping evidence and reports aligned with regulatory

expectations, while also strengthening resilience by helping teams detect threats faster and respond more effectively. Perhaps just as importantly, RAG supports continuity: when key staff are onboarded or offboarded, the overall security posture remains stable because the system retains and shares institutional knowledge, ensuring critical information is never lost.

Cybersecurity is not just an IT concern it's a matter of trust, reputation, and resilience for the entire banking sector. By embracing RAG and AI Agents responsibly, banks can face the dual challenge of threats and regulations with confidence.

FINAL THOUGHTS

We often hear that AI is about replacing people. In banking security, the reality is different. RAG and AI Agents are about amplifying people giving small, dedicated teams the tools they need to meet rising demands without compromising on quality or compliance.

The future of banking security won't be decided only by firewalls or audits. It will also depend on how well we use new technologies to balance efficiency, accountability, and trust. With RAG, banks have a practical, private, and responsible way forward.

Banking for a generation that won't wait: Digitalization and the new customer experience in Kosovo



Labinot Haxhiu
Head of Digital Banking and Retail Product Development
TEB Kosova



Kosovo's younger population lives in an online-first environment. They are highly mobile, socially connected, and increasingly financially aware.

In every corner of Kosovo, from cafés, parks, and busy city streets, you'll likely see young people using their phones to manage money, checking balances, sending money, paying bills, without ever stepping to a bank. For Kosovo's financial sector, this is more than a passing trend, it is a wake-up call. In Kosovo, the urgency of this shift is underscored by the demographic reality that the median age of the population is just 32.6 years. This youthful profile is not only shaping consumer behavior but is also redefining what banking means in everyday life. For younger generations, financial services are expected to be as seamless as social media and as instant as messaging apps. The traditional view of banking as a place to visit is rapidly giving way to banking as an integrated digital utility.

A Generation That Redefines Expectations

Kosovo's younger population lives in an online-first environment. They are highly mobile, socially connected, and increasingly financially aware. Banking for them is not about visiting branches or waiting in queues; it is about intuitive, accessible, and personalized digital experiences. These expectations are not superficial. They reflect a deeper cultural change: impatience with bureaucracy, demand for transparency, and a readiness to switch providers if trust or convenience is compromised, and for banks, this creates both a challenge and an opportunity.

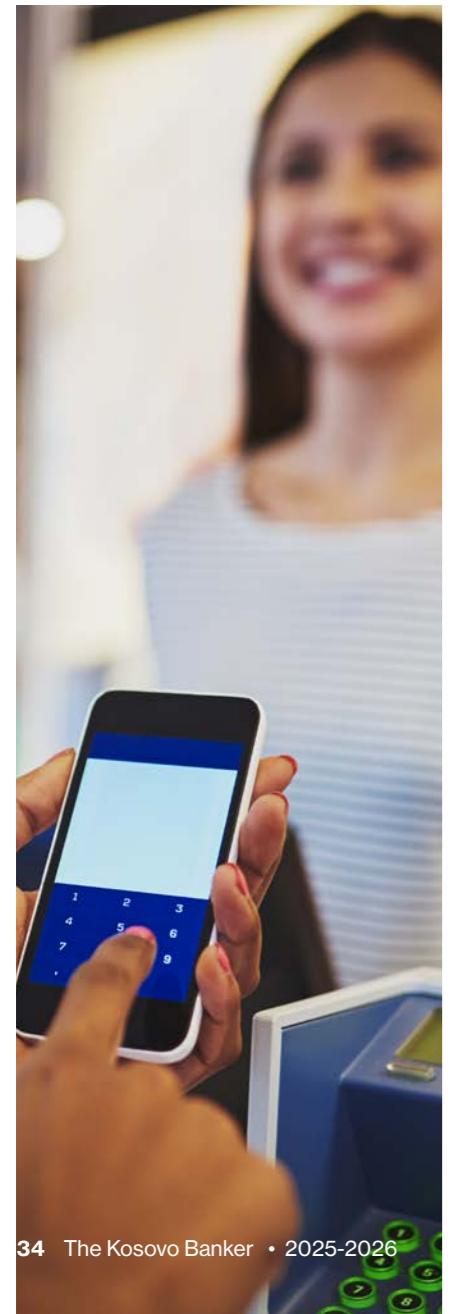
The Post-Pandemic Shift: Expectations Accelerated

The COVID-19 pandemic didn't just disrupt daily life; it permanently reshaped how people interact with financial services. During lockdowns, digital channels became essential lifelines, providing uninterrupted access to payments, transfers, and customer support at a time when physical branches were closed. For many, mobile banking and online platforms were not simply conveniences but the only viable means of managing finances. Customers who had never used digital services before suddenly depended on them,

and once they experienced the speed and ease of remote access, there was no going back.

In Kosovo, this shift was especially pronounced. With limited physical access and growing digital literacy, customers began expecting more, not just basic functionality, but full-service experiences online. They now expect to open accounts, apply for loans, manage disputes, and receive support without ever visiting a branch.

The pandemic also heightened sensitivity to financial vulnerability. Customers want tools that help them plan, save, and protect themselves from future uncertainty.



Rethinking Banking Services

To remain competitive, banks in Kosovo must go beyond simply digitizing legacy processes. What is required is a fundamental reimaging of the customer journey. Account opening, once a lengthy and paper-heavy process, must now be as quick as downloading an app. Electronic KYC, biometric verification, and multilingual interfaces are becoming essential features. The era of ONE-SIZE-FITS-ALL has clearly ended.

At the same time, customers are increasingly seeking integrated financial tools. Budgeting applications, expense tracking, and goal-based savings are features that empower individuals to manage their finances proactively. Several banks in Kosovo have already made strides in mobile banking, but the next stage involves embedding financial solutions into broader digital ecosystems, whether through e-commerce platforms, telecom providers, car industry or educational institutions. Imagine a student receiving a tuition loan directly through their university portal or a young entrepreneur accessing a bundled business toolkit through their mobile operator. These examples illustrate the future direction of banking in Kosovo.

Trust in the Digital Age

Despite the emphasis on speed and convenience, trust remains the foundation of the banking relationship. Customers in Kosovo, particularly younger ones, are digitally literate but also increasingly cautious about data security. They expect transparent policies on data usage, robust protection against fraud, and mechanisms that allow them to remain in control of their personal information. Two-factor authentication, biometric

access, and real-time fraud alerts are no longer competitive advantages, they are minimum requirements and non-negotiable.

Equally important is the role of ethics in digital banking. As artificial intelligence and algorithms become more prevalent, banks must ensure that recommendations remain transparent and genuinely supportive of customer needs. In a sector where reputation and credibility are paramount, the ethical use of data and technology can serve as a powerful differentiator.

Aligning with Societal Values

Another dimension shaping the future of banking in Kosovo is the alignment of financial products with broader social values. Globally, there is a rise in sustainable and green finance, and Kosovo's banks cannot remain on the sidelines. Offering loans for renewable energy, electric vehicles, or energy-efficient housing is not only good business but also aligns with the values of an environmentally conscious generation.

Young people in Kosovo live online. Mobile, connected, and increasingly financially aware. For them, banking is not about counters and waiting in lines, but about intuitive, accessible, and personalized digital experiences.



Equally important is promoting inclusive finance by ensuring that individual customers, regardless of background or circumstance, have fair access to financial services that support their personal goals and needs. Banks can offer financial products that fit everyday needs, like saving for a home, planning for a family, or setting money aside for education. Digital tools make this easier by helping people track their progress, set goals, and get advice that feels personal. When products are designed around real-life priorities and delivered through simple, accessible apps, customers feel supported and more connected to their bank.

Challenges on the Horizon: What Banks Must Foresee

While the opportunities are immense, the road ahead is not without obstacles. Cybersecurity remains one of the greatest risks, particularly as digital transactions increase in volume and complexity. Regulatory frameworks around data protection and digital payments are evolving, requiring banks to

maintain agile compliance capabilities. Moreover, financial literacy cannot be taken for granted. Many young users are quick to adopt new applications, but not all understand the long-term implications of credit, savings, or investments. Bridging this knowledge gap will be essential for sustainable growth.

From an internal perspective, Kosovo's banks must also transform their organizational culture. Digitalization requires new skill sets, from data science to UX design, which are not always abundant in the local market. Legacy IT systems remain another challenge, as banks must integrate new digital layers without compromising operational stability.

Looking Forward

Digitalization in Kosovo is no longer about catching up with international standards, it is about shaping a new model of banking that reflects the rhythm of modern life. The most successful banks will be those that evolve from transaction providers into experience designers, from institutions of trust

into platforms of empowerment. They will be the banks that listen closely to their customers, innovate with purpose, and balance efficiency with empathy.

Kosovo's banks are entering a new era. What matters now is not only tradition, but staying relevant to people's everyday lives. With a young population that expects speed, simplicity, and trust, the future of banking here will be digital and customer focused. The shift has already begun, and the only real question left is how quickly banks can adapt. Those banks that embrace digitalization and build strategies around it will not only keep pace with change, but they will also become the leaders of the future.



With a young population demanding speed, simplicity, and trust, the future of banking in Kosovo will be digital and customer-centric.



Interview



Jehona Nushi
Cyber Security Expert
Women4Cyber



“In 2025, online risks have become far more sophisticated than a few years ago. Attackers no longer rely on primitive methods but instead use techniques that are increasingly personalized and persuasive.”

Many people think cybersecurity is just an IT issue. Why do you believe it's much more than that?

Most people associate cybersecurity only with technology, servers, encryption, firewalls, and IT experts. However, it is actually a much broader term that affects every part of our lives. Cybersecurity is not just a technical matter, it is also about behavior, awareness and digital culture.

Consider a bank, for instance. The institution may have the most advanced systems and cutting-edge technology, yet if an employee falls for a phishing email and enters their login details on a fake site, the entire defense becomes useless. It's like building a fortress with strong walls but leaving the front gate wide open.

Therefore, cybersecurity is a combination of technology and people. Studies show that over 80% of cyberattacks begin with human error. One careless click, weak password, or opened malicious file can put not only an individual but an entire institution at risk. Technology alone cannot protect against threats, unless users practice secure behavior as well.

What everyday habits do people often overlook that put their digital security at risk?

It's often the small, everyday habits that create the biggest security risks - and because they feel harmless, people rarely notice them.

The most common one is password reuse. Many people rely on the same password across multiple accounts because it's easier to remember. But that's like using one key for your house, car, and office - if the key gets stolen, everything becomes vulnerable at once.

Another bad habit is skipping two-factor authentication (2FA). Individuals usually avoid enabling such mechanism, due to the fact that they perceive it as an inconvenience. However, in reality recovering a hacked account is far more stressful and time consuming than having to go through an extra login step.

Clicking on suspicious links is another classic mistake we see happening quite often. Cybercriminals design phishing emails to look official and more often than not curiosity tends to win over caution.



The same goes for downloading apps from unofficial sources or oversharing personal details on social media - both open the door to unnecessary risks.

The issue here isn't that people don't understand technology - it's that they're often unaware of the risks these habits bring. By building better habits and staying alert, people can significantly reduce their chances of becoming a target.

What are the most common online threats in 2025?

In recent years, cyber threats have become increasingly sophisticated, as attackers rely on highly targeted, convincing methods to deceive the users.

The days of poorly written 'inheritance' phishing emails are long gone. Today, phishing messages often look identical to official emails from your bank, a government office, or even your workplace - complete with logos and branding. It is important to note that, even technology professionals so-

metimes fall for these tricks, showing just how sophisticated such attacks have become.

Social media scams are another growing risk, ranging from 'dream jobs' that ask for small application fees to 'investment opportunities' promising quick returns. Because people tend to be less cautious when scrolling through social media, they often become easy targets.

Applications that request unnecessary permissions also expose individuals to unnecessary digital risks. For instance, if a calculator app asks for access to your camera or location, that's a clear red flag. Unfortunately, many users simply click "accept" without fully understanding the conditions to which they are agreeing.

One of the latest cyber threats is the rise of deepfakes. Deepfakes are AI-generated videos or audio that look and sound real. Imagine receiving a phone call from what seems to be your bank manager, but it's actually a machine imitating their voice.

Statistics show that over 80% of cyber attacks today are caused by human error.

How do we build a culture of digital security at home, in schools, and in society?

Building a culture of digital security is crucial. Even though technology is changing at the speed of light, the basic security concepts such as caution, responsibility and respect for privacy remain the same. Such culture is built through continuous education and practice.

At home parents should talk openly with their children about safe internet use, not to scare them, but to raise awareness. Just as we warn kids not to talk to strangers on the street, we should teach them not to engage with strangers online.

At school digital education must be part of the curriculum. Beyond learning to use computers, children should be taught how to use them safely by creating strong passwords, valuing privacy, recognizing scams and knowing how to report them.

At work organizations should treat cybersecurity as part of the workplace culture. Regular training, phishing simulations and hands-on exercises are much more effective than long cybersecurity manuals no one reads.

In society the government, media and NGOs should run awareness campaigns, trainings and events that make digital security part of daily life.

Only by working together through families, schools, workplaces and society - can we build a lasting culture of cybersecurity.

Some people say: "I have nothing to hide, so why should I care?" What's your response?

Saying "I have nothing to hide, so why should I care?" is one of the most dangerous misconceptions. Cybersecurity isn't just about secrecy - it's about protecting your data and your rights.

Even if you don't have "secrets," criminals can use your account to spread scams, launch attacks, or break into larger networks. So even if you think you're safe, your account could become the doorway for an attack on others or on your own workplace.

Developing a culture of digital security is fundamental, because even though technology is changing at a very rapid pace, basic principles of behavior such as care, responsibility, and respect for privacy remain the same.





What simple steps can ordinary citizens take to stay safe online?

You don't need deep technical knowledge to be digitally secure. A few simple good habits go a long way:

Use strong, unique passwords which are long, random, contain numbers, symbols, and both uppercase and lowercase letters. Avoid including personal information such as names or birthdays, because they are easy to guess.

Always enable two-factor authentication (2FA) where possible.

Be cautious with unknown links. Always think before you click!

Keep devices and applications regularly updated - every update is like a vaccine against threats.

Download apps only from official sources. Never trust unknown sites, even if they offer free versions of popular apps.

These steps may seem simple, but they are incredibly effective in keeping you safe in the digital world. Think of them like a seatbelt - they won't prevent an accident from happening, but they can protect you from the worst consequences.

Women4CyberKosovo

Women4Cyber është një iniciativë evWomen4Cyber is a European initiative that empowers women and girls in cybersecurity. Since 2021, Kosovo has had its own chapter, which provides training, mentoring, and networking opportunities. The group now has 453 members, collaborates with universities, schools, and NGOs, and has organized over 35 events for children aged 6-14, students, and women re-entering the workforce.

Globally, cybersecurity is still seen as a "male field." However, diversity in this field is crucial as cyberattacks don't recognize gender and tackling them requires different perspectives.

Our mission at Women4Cyber Kosovo is to create a more inclusive ecosystem where women and girls feel empowered to pursue careers in cybersecurity. Through mentoring, training, and hands-on projects, we're building a space where everyone belongs.

Cybersecurity is a field of the future - one that needs the energy, creativity and perspectives of women and girls. Therefore, my message is simple: If you're curious, if you like solving problems, if you want to make the digital world safer - this is your place.

Don't be discouraged by stereotypes. Yes, cybersecurity requires commitment, but with passion and effort, it's absolutely achievable.

Cybersecurity isn't just about coding - it's about people, data and our digital future. And that's exactly why we need more women and girls in this field.



So my message to girls and women is this: If you are curious, if you like to solve problems, if you want to contribute to a safer digital world - then this is your place.



DIGITAL PAYMENTS TRANSFORMATION

**Ardian Hasa**

Member of the Management Board
NLB Banka

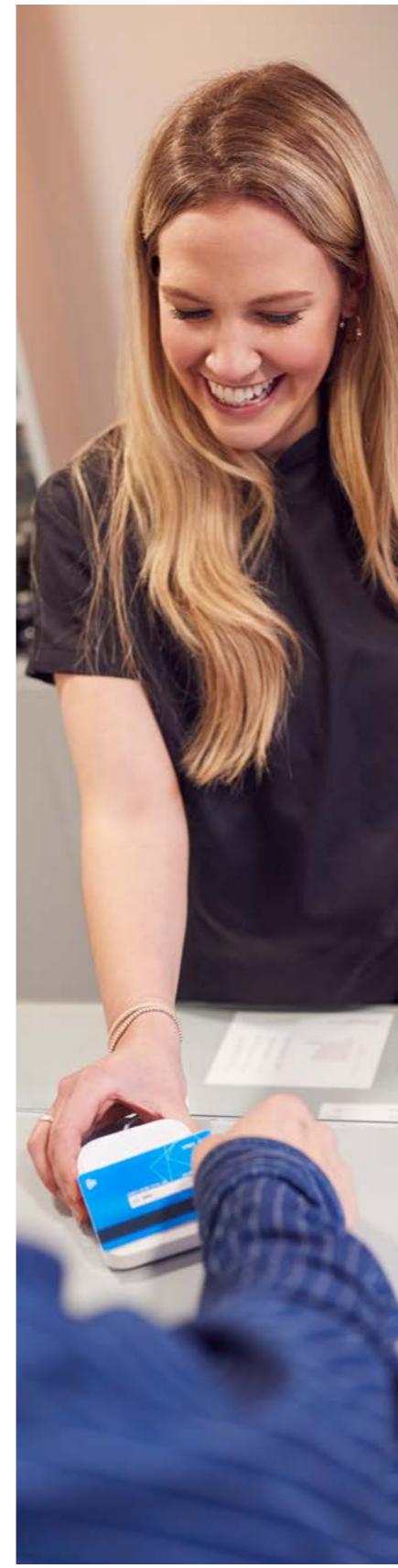
From POS to Pay: NLB Bank leading the way toward a cashless economy

"Kosovo is undergoing a profound transformation in the way its citizens and businesses interact with the financial system. Moving away from the traditional reliance on physical cash, the country is rapidly transitioning toward a digital economy, where electronic payments are becoming the new standard."

According to data from the Central Bank of Kosovo, the number of POS terminals increased by 25% during the period 2019–2023.¹ In the same timeframe, the number of e-banking accounts grew 2.5 times, clearly demonstrating a shift from cash transactions toward digital payments, initially through POS terminals and later through mobile payments. From early 2024 to June

Since 2024, Kosovo has introduced Google Pay, led by the pioneer bank, NLB Bank. In 2025, Garmin Pay entered the market, followed most recently by Apple Pay, launched by NLB Bank, positioning it as a leader of this transformation. These innovations have sparked significant interest among clients, who are increasingly adopting this modern and secure payment method. From early 2024 to June

2025, the number and value of online payments through e-commerce platforms tripled.² Although the number of merchants offering these services remains relatively modest, the upward trend is a strong indicator of changing consumer preferences.



DIGITALIZATION AS A STRATEGIC PRIORITY

Recent publications by commercial banks and the Central Bank of Kosovo confirm that digitalization is now a top strategic priority. In its annual report, NLB Bank emphasizes that digitalization is an integrated strategy aimed at improving customer experience and increasing operational efficiency. Ongoing investments in advanced mobile and online platforms have enabled clients to manage accounts, make payments, and apply for loans in real time, from any device, anywhere.

The new Law on Payment Services, expected to enter into force soon, aims to create a more integrated payment market by enhancing security and ensuring consumer protection. This law is expected to foster competition and encourage the development of innovative financial products, significantly improving customer experience and promoting the broader adoption of electronic payments.³

In his public address, Governor Ismaili emphasized that the Central Bank of Kosovo supports the digital future as a key objective of its strategic plan, which includes the adoption of regulations for fintech and electronic payments, integration into the SEPA system, and the strengthening of measures for data protection and cybersecurity.⁴

THE ROLE OF FINANCIAL INSTITUTIONS

In the coming years, banks and financial institutions will play a decisive role in consolidating this transformation. NLB Bank has proven to be a clear leader in this process, being among the first to implement modern payment solutions such as Apple Pay, Google Pay, and Garmin Pay in Kosovo. Beyond these innovations, the full integration of banking services into digital platforms remains both a challenge and a necessity for the financial sector. Institutions must act swiftly to meet market demands and deliver services that align with customer expectations in the digital era.



The number of POS terminals in Kosovo has increased by 25% from 2019 to 2023, while e-banking accounts have increased 2.5 times.

¹ <https://bqk-kos.org/wp-content/uploads/2024/12/Raport-vjetor-krahasues.pdf>

² <https://bqk-kos.org/sistemet-e-pagesave/publikime-statistikore-analiza-dhe-materiale-tjera-informative-nga-sistemi-i-pagesave/null>

³ https://www.kuvendikosoves.org/Uploads/Data/Documents/Memorandumipjeqes_5pzLJKYm5.pdf

⁴ https://bqk-kos.org/wp-content/uploads/2025/03/ALB-21-03-2025_Governors-Speech-Navigating-the-Digital-Transformat_.pdf

CHALLENGES AND OUTLOOK

Despite the evident progress, challenges persist. Financial education, building trust in digital systems, and ensuring inclusion in rural areas remain key priorities. While Kosovo is building a strong and inclusive digital payments ecosystem, some consumers remain hesitant, often due to concerns about transaction security.

Therefore, beyond their role as drivers of digital transformation, banks must also invest in customer education, raising awareness about the reliability and benefits of digital solutions. Only through this combined effort can Kosovo strengthen its position on the path toward a fully modern and digital economy.

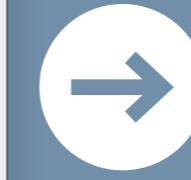
CONCLUSION

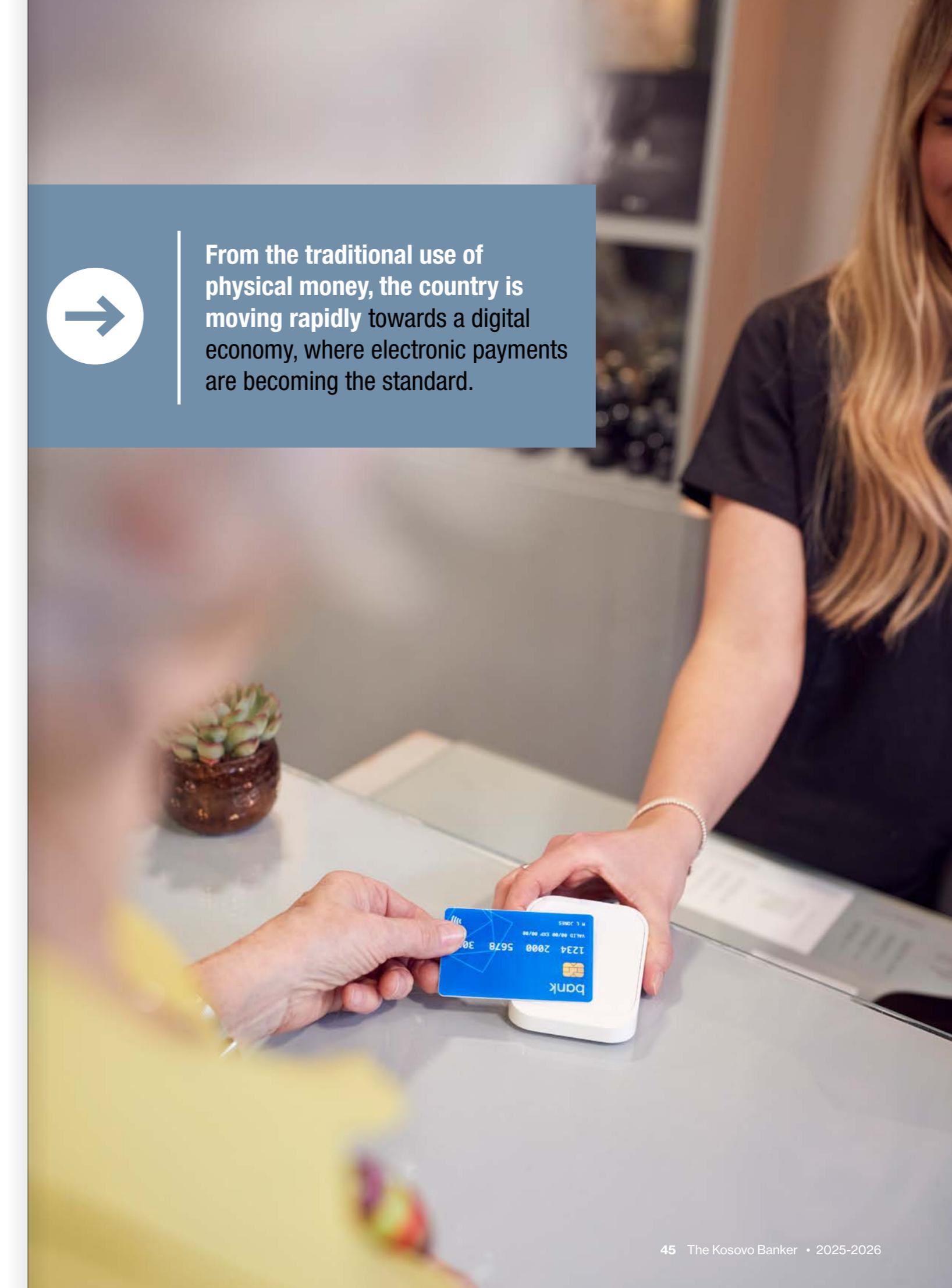
The digital transformation of payments is an ongoing process that requires the collaboration of all stakeholders. In this context, NLB Bank has demonstrated leadership by introducing innovative products and setting new market standards. However, this leadership also comes with responsibility, to continue advancing thoughtfully, balancing innovation with trust-building and ensuring widespread customer inclusion.



 Some consumers are still hesitant about digital payments due to security concerns, so banks need to invest in information and awareness.

 Only in this way can Kosovo strengthen its position towards a modern and fully digital economy.

 From the traditional use of physical money, the country is moving rapidly towards a digital economy, where electronic payments are becoming the standard.



Instant Issuing

Deliver payment cards in minutes – right at the branch.

In a world where customers expect everything now, Mellon Group helps banks meet those expectations with a complete, **end-to-end Instant Issuing Solution**.

This innovative platform enables the **immediate, secure issuance** of fully functional payment cards directly at the branch – so customers walk out ready to **tap, swipe, and spend**.

Powered by state-of-the-art hardware – including **thermal, laser, and embossing printers** – and integrated with Mellon's proven software and expert services, the solution ensures a smooth, fast, and compliant issuance process from start to finish.

Future-proof Cards Systems with Thales D1 Platform

With over a third of card payments already relying on tokens, industry is rapidly moving toward a future where card numbers disappear – and 100% of transactions are tokenized and authenticated by 2030. **Issuers must modernize their systems** now to remain competitive. To meet evolving scheme expectations and enable truly frictionless payments, card platforms must be able to orchestrate high volumes and varieties of data – **from tokens and biometrics to payment passkeys, PII, and device IDs**.

Since its token-first launch in 2015, Thales D1 has helped issuers **transition from static, card-led models to dynamic, modular systems** – where real-time data drives **smarter decisions, better customer experiences, and faster product rollouts**. Today, D1 continues to power the modernization of card infrastructure, helping issuers streamline operations and lead the next wave of payment innovation.

Build new payment experiences in record time



D1 is a **cloud-native platform** designed to provide real-time capacities to existing issuers' infrastructures through simple API connections.

The token-centric origins and comprehensive set of innovative and evolving managed services makes the

D1 platform a leader of today's Modern and Instant Card Issuance.

Need help ?

Contact us: Mellon Albania, Kosovo Branch | Str. Ahmet Krasniqi, Dragodan-Arberia C2, Prishtina, Kosova
 office.ks@mellongroup.com | +383 49 648 649

QUICK & SECURE CONTACTLESS PAYMENTS WITH YOUR PHONE

Tap on Phone is a mobile payment solution developed by Mellon Group in collaboration with Ingenico, enabling merchants to accept **contactless payments directly on NFC-enabled Android and iOS devices** – no additional hardware required.

Customers can effortlessly complete purchases using their contactless cards, smartphones, smartwatches, or wristbands. After each transaction, **merchants** can issue digital receipts instantly via SMS or email, ensuring a smooth, paperless experience.

For acquirers, Tap on Phone can be easily integrated with complementary business tools – such as invoicing, inventory management, and analytics platforms – delivering greater operational efficiency and added value for merchant partners.



DISCOVER THE FUTURE OF ACCEPTING CONTACTLESS PAYMENTS, FOR BUSINESSES OF ALL BUDGETS.

SoftPOS transforms payment acceptance – turning any smartphone or tablet into a fully secure, contactless payment terminal. Our advanced solution delivers top-tier security, flexibility, and performance, meeting the highest global standards for acquirers and payment service providers (PSPs).



FASTER TRANSACTIONS

Give your customers the fast, frictionless checkout they love – so they can get on with their day.



EFFORTLESS CONVENIENCE

Turn your phone into your point of sale. Make payments simple, fast, and seamless—for you and your customers.



CONNECT & INTEGRATE

Enjoy effortless integration with your business tools and a fully digital onboarding process.

Features: Sale, Void, Refund, Installment transactions, etc.



Card payments have moved from magnetic stripe cards, to EMV chip cards, further adding contactless interfaces, and most recently to digital wallets.



Admirim Ymeri
Chief Technology Officer
PayLink Albania

Payment transformation: How our institution drives the cashless economy

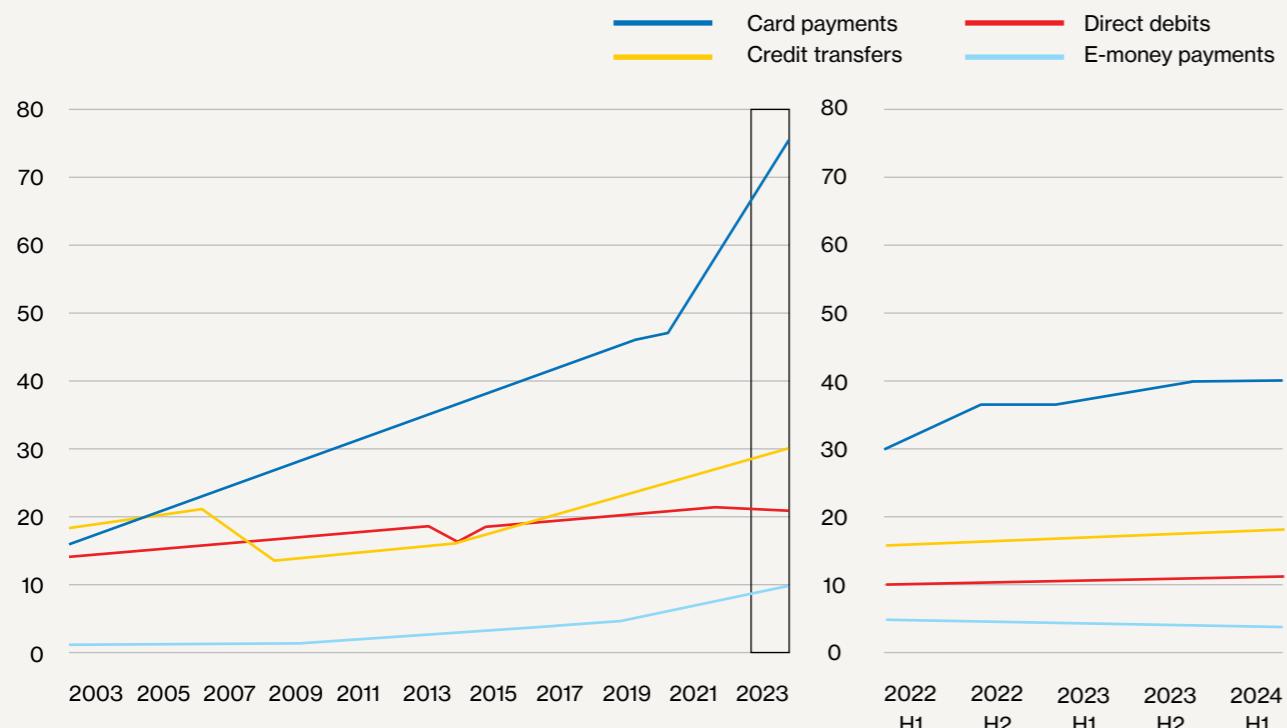
"In recent decades, the payments industry has undergone significant transformations. Technological advancements have created new opportunities for electronic payments, both in improving existing services and in offering new payment possibilities. Card payments, for example, have evolved from magnetic stripe cards to EMV chip cards, further incorporating contactless interfaces, and most recently moving towards digital wallets."

Technological developments have had direct impacts on advancements in the electronic payments industry. EMV card payments have dominated this sector for years as the most consolidated alternative in many aspects of electronic payments. According to the ECB, in the first half of 2024, card payments accounted for 56% of all cashless transactions, continuing to follow an

upward trend. This dominance has been secured thanks to the advantages that card payments provide, such as global reach (acceptance at ATMs, POS terminals, and e-commerce almost everywhere in the world under the same protocols), consumer protection through chargeback/dispute mechanisms, as well as the security and convenience that the technology offers.

One of the main challenges that this industry faces is the time-to-market of new products or even the issuance of the physical card itself. With its regional presence and years of experience, PayLink has optimized the development and deployment cycle, reducing it to the minimum possible.

PayLink's strategy for further advancing electronic payments is centered on real-time system inte-



KEY ADVANTAGES OF EMV TOKENIZATION VS. OTHER ELECTRONIC PAYMENT METHODS

raction. In this context, the issuance of virtual cards through a dedicated system integrators the process of providing consumers with a card, nearly in real time. Until just a few years ago, the use of virtual cards was mostly limited to e-commerce or issuer-specific implementations. With the introduction of card tokenization, and the recent expansion of digital wallet usage such as Apple Pay in our region, virtual cards have taken on a new dimension. Once the customer is registered with the bank, all that is required is access to one of the issuer's online systems, like online banking, mobile banking or any online interface that issuers might have provided for their customers. The client can then be instantly provided with a virtual card, which, through tokenization process, can be registered in either the issuer's digital wallet or in third-party wallets offering such services, becoming immediately ready for any payment, just like any physical card.

First, this technology inherits all the major advantages of physical cards. It relies on a globally distributed and ever-evolving ecosystem, supported by the major players of the industry. As a result, it is backed by stronger and internationally recognized regulatory frameworks, offering cardholders far greater protection compared to alternatives that depend primarily on regional technologies and regulations.

Tokenization further enhances the security of the card ecosystem in several ways. Among the most important: the elimination of data compromise risks by replacing the PAN with a dynamic token, the ability to integrate biometric authentication, and support for advanced anti-fraud modules. EMV token usage also improves convenience and flexibility by

enabling payments from a wide range of smart devices, which are increasingly becoming part of everyday life. Beyond smartphones (where other electronic payment alternatives also compete), one of the key advantages is card tokenization in smartwatches and smart rings. Thanks to EMV standards, this process is simple and does not require complex or issuer-specific development.



According to the ECB, in the first half of 2024, card payments accounted for 56% of cashless transactions and continued to maintain an upward trend.

PayLink has been among the first in the region to promote and implement the technologies necessary for enabling tokenization in EMV payments. This is reinforced with the required technical developments that allow cardholders to monitor and manage their tokens and their usage through dedicated real-time interfaces. The issuance of physical cards is a well-regulated and mature process, stabilized through decades of continuous improvement, and limited only to certified entities. One area issuer must now carefully consider, is the tokenization process itself. Since card issuance and tokenization may involve data processing and transmission across by the cardholder devices, third-party devices or software's, new potential vulnerabilities arise that can be exploited by fraudulent agents. To mitigate this, PayLink has implemented one of the most advanced fraud prevention modules, enabling issuers to model cardholder behavior based on EMV transactions as well as on information from multiple channels like presence of customer in issuers branch, activity from online/mobile banking, utility payments modules, etc. In this way, issuers can define dynamic rules as well as models supported by Artificial Intelligence to prevent emerging fraud vectors in tokenized transactions.

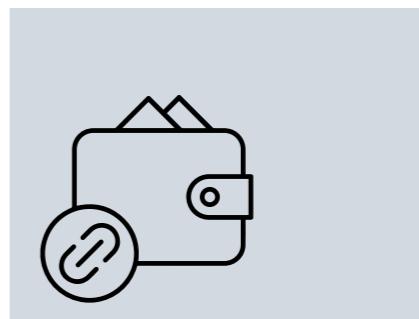
In recent decades, the payments industry has undergone profound transformations. Technological progress has not only improved existing services but also introduced new opportunities for electronic payments. Card payments have evolved from magnetic stripe cards, to EMV chip cards, later enhanced with contactless capabilities, and most recently, to digital wallets. This evolution has delivered significant improvements in both security and convenience.

With the rise of digital transactions, the need for advanced protective technologies also increases, requiring broader approaches that extend beyond the traditional fraud prevention modules. EMV tokenization has become one of the central mechanisms in further advancing card payments, ensuring a secure user experience. PayLink has consistently followed and supported these industry developments, implementing state of the art technologies to simplify adoption for issuers, streamline interoperability between issuers and acquirers, ensure efficient information exchange across payment systems, and address medium and long term challenges.

Thus, beyond enabling payments via traditional channels such as ATMs, POS and e-commerce platforms, while always supporting the needs and demands of merchants, PayLink has expanded its service offerings with value-added services (VAS). In addition to tokenization, PayLink has developed a wide range of essential services. These include Buy Now, Pay Later (BNPL), installment payments, and hybrid products (card + account), all delivered through dedicated interfaces that issuers can provide to their customers across multiple platforms.

The development of dedicated modules—such as the ATM Management Module for monitoring and reconciling cash, the Merchant Portal for full merchant lifecycle management (from onboarding to transaction monitoring with merchant-dedicated services), reconciliation and settlement modules, and many others—has enabled PayLink to deliver a complete ecosystem that meets the market's needs.

With a vision that every service should either align and anticipate with the pace of technological evolution, PayLink provides added value to the payments industry in Albania, Kosovo, and across the wider region.



PayLink enables real-time monitoring and management of tokens by cardholders through dedicated interfaces.



Flakrim Zogaj
Deputy CEO
PriBank

Transforming Digital Payments in Kosovo

"In the near future, payments are expected to become even simpler and faster. With advances in artificial intelligence, augmented reality, and technologies like blockchain, payments could occur in the background without the need for manual interaction. Additionally, the development of central bank digital currencies may introduce new standards for both domestic and international payments."

In recent years, the way we pay for products and services has changed quickly and visibly. Digital payments are now a daily part of our lives, altering how we think about money, how we use it, and how we store it. This is more than just a technological change, it's an economic and cultural shift that has impacted both global markets and small nations like Kosovo.

The transition from physical bank cards to payments through

mobile applications and phones has occurred rapidly, driven by technological advances, consumer expectations, and the increasingly innovative role of the banking sector. In this context, Kosovo has begun to follow global trends in modern payments, building an increasingly digital infrastructure for financial services.

THE REVOLUTION IN APPLICATIONS AND DIGITAL BANKING

After 2000, with the growth of the internet and smartphone use, banks and fintech companies started offering apps that let clients make payments, transfers, and manage accounts from their phones. This led to a significant change, there was no longer a need to visit a branch or use physical

cards for every payment—just a click was enough.

In Kosovo, commercial banks started offering applications like e/m banking at the beginning of the last decade. These applications, both in Kosovo and across the region, have greatly improved in security, functionality, and user-friendliness. Clients can pay bills, send money, check account balances, and make online payments without needing physical cards. This shift has been especially significant for young people and those who use technology daily. According to the 2023 Annual Report on Payment Instruments, Kosovo is performing quite well in this area compared to countries in Central and Southeastern Europe.

PAYMENTS BY PHONE: SPEED AND SECURITY

One of the most popular innovations in recent years is mobile payments through NFC (tap to pay) technology or QR codes. These methods are fast, secure, and increasingly accepted by businesses at both physical points of sale and online platforms.

In Kosovo, although NFC payments adoption is not yet as widespread as in European Union countries, the trend is steadily growing. Some banks already offer digital cards through apps that can be linked to phones for direct payments.

This development is vital not only for the convenience it offers but also for improving transparency in transactions. Users can view real-time payment history and gain more control over managing their finances.

PAYMENTS TRANSFORMATION: THE ROLE OF THE CBK



Harmonization with EU legislation



Developing infrastructure for fast payments



Access to international platforms



Promotion of electronic payments

THE EFFECTS OF THE PANDEMIC AND THE SPEEDING UP OF THE DIGITAL SHIFT

The COVID-19 pandemic led to a sharp increase in digital payments worldwide, including in Kosovo. The need to avoid physical contact and restrictions on movement pushed many people to try mobile banking apps or shop online for the first time. This experience became a lasting habit for a large portion of the population.

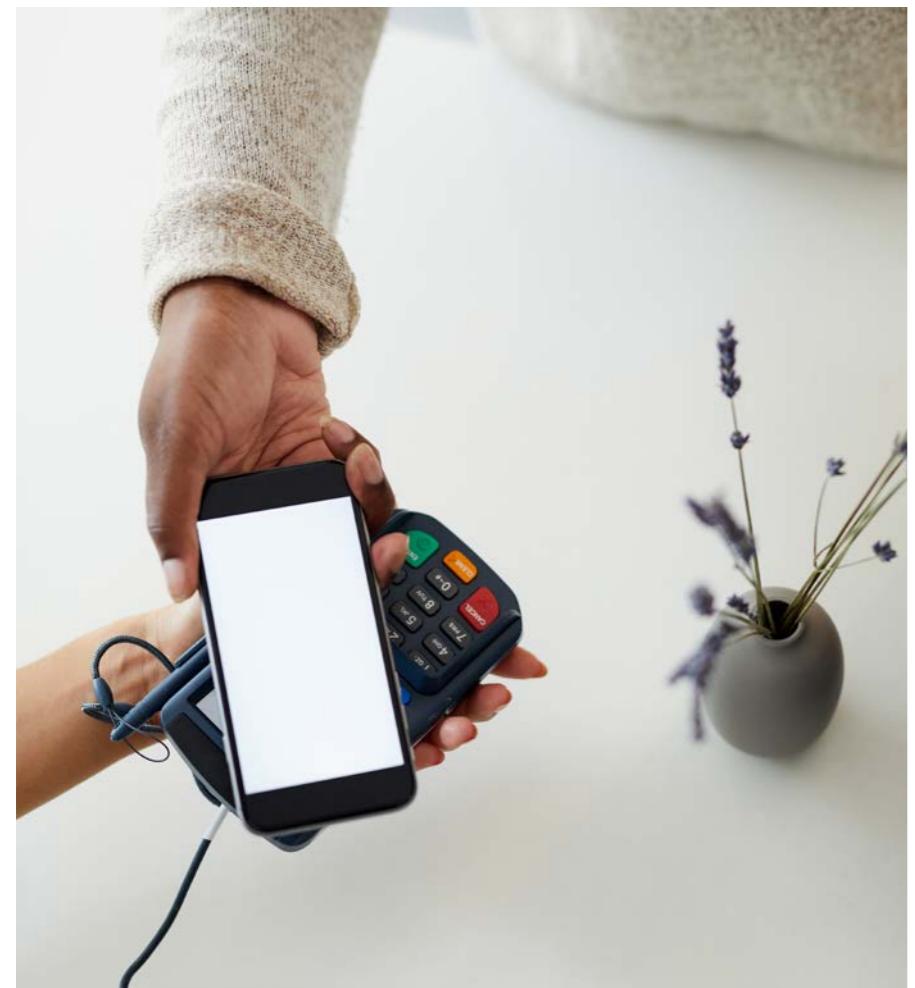
During this period, many banks in Kosovo reported substantial increases in the number of clients using mobile apps and digital services for payments and transfers. This clearly shows that clients are willing to adopt digital solutions when they provide security, convenience, and added benefits.

DIGITALIZATION IN KOSOVO'S BANKING SECTOR

The banking sector in Kosovo is one of the most digitalized sectors compared to other countries in the region. Banks have continually invested in digital platforms, cybersecurity, and customer education on using online services. Thanks to the relatively new structure of the country's financial system and the lack of a heavy legacy of old technologies, Kosovo has been able to adopt modern technologies more efficiently.

However, some issues pose challenges that need attention. The adoption of mobile payments is still limited, particularly in traditional markets or rural areas. Factors like financial education and trust in digital systems influence the speed of this change.

However, with support from banking institutions, regulators such as the Central Bank of Kosovo (CBK), and users themselves, the trend is moving toward continuous improvement. The transformation of payments in Kosovo is also closely tied to the efforts and regulatory measures of the Central Bank of Kosovo (CBK). The Central Bank of Kosovo (CBK) has also drafted the Strategic Plan 2024-2028, with one of its main goals being the modernization of the financial market infrastructure and enhancing competitiveness. To reach this goal, the Central Bank of Kosovo (CBK) has taken several necessary steps to foster a favorable environment for the development and adoption of payment technologies.



- Harmonization with EU legislation and European standards
- Development of infrastructure for 24/7 fast payments and national QR
- Access to international platforms such as SEPA and TIPS
- Promotion of electronic payments and reduction of physical cash

As a result of these commitments to modernize the payment system, increase financial inclusion, and accelerate digitalization in Kosovo, the integration of Google Pay has been followed by the addition of Apple Pay, providing more advanced and secure payment services that meet European standards for digital payments.

WHAT CAN WE EXPECT IN THE FUTURE?

Payments are expected to become even quicker and easier soon. Due to advancements in artificial intelligence, augmented reality, and blockchain technologies, transactions can occur seamlessly in the background without manual input. Additionally, the development of central bank digital currencies could set new standards for both domestic and international payments.

For Kosovo, this means more opportunities to expand financial inclusion, boost market efficiency, and develop a more transparent and traceable economy.

CONCLUSION

The shift to digital payments is irreversible, happening worldwide and also in Kosovo. Moving from physical cards to mobile apps and phone payments isn't just a technological change – it's about trust, education, and adapting to the fast pace of modern life. With institutional support, a strong legal framework, and investments in technology and security, this shift will provide long-term benefits to citizens, institutions, and businesses across the country.

Interview



Yll Dushi
CEO at OneFor Kosovo
Chairman of the Board at KDWV
Chairman of Fintech Kosovo Cluster



“Small businesses that rely solely on cash miss out on significant opportunities. Holding physical cash increases the risk of theft and loss, while electronic payments provide security and full traceability for every transaction. This traceability helps with financial management, sales planning, and tax reporting.”

From banknotes to clicks: The future pays differently

How has citizens' behavior changed in terms of payment methods in recent years? Are Albanians leaving cash behind?

In recent years, the way payments are made in Kosovo has undergone noticeable changes, mainly due to technological advances and global events such as the COVID-19 pandemic. The pandemic served as a catalyst, pushing citizens to avoid physical contact and use bank cards, mobile applications, and online transfers more frequently. Today, the situation has changed significantly, as electronic payments have become part of citizens' daily lives, and the use of POS systems in various businesses has greatly increased the adoption of bank cards and mobile applications.

Another factor influencing the use of bank cards is the liberalization of visas with EU countries. The use of cards abroad is four times higher than before this process, which naturally reflects in Kosovo as customers adapt their behavior in line with more developed countries. However, physical cash remains present, especially in rural areas and small businesses where payment technology is less widespread. This shows that the digitization process is gradual and requires time, financial education, and a cultural shift in how cash is perceived. Businesses play an important role in this transformation, as the acceptance of digital payments increases their use and facilitates the transition to a more digitized economy. Moreover, this transition has been accelerated by the entry of new financial players into the Kosovo market. These institutions are bringing more flexible and faster solutions at lower costs than the traditional system, giving citizens the ability to perform instant transfers, use e-wallets, and manage finances through mobile apps. This innovation has significantly increased

trust in digital payments and is accelerating the gradual move away from cash, particularly among younger generations and in urban areas.

What are the biggest advantages for a citizen who uses digital payments in everyday life?

Digital payments offer numerous advantages for citizens. One of the

most important is security, as using cash always carries risks of loss, theft, or errors during transactions, while electronic payments are traceable and create clear records of every transaction. This not only helps with managing personal budgets but also improves financial transparency and makes expense reporting easier. Convenience is another major advantage, as digital payments are fast, simple, and eliminate the need to carry physical cash. Citizens can pay in supermarkets, cafes, transportation apps, tickets for events, and other services—all within seconds. Beyond security and convenience, digital payments often provide financial incentives such as cashback bonuses, promotional offers, or reward points, which are not possible with cash.

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The use of digital payments gives citizens flexibility, control over their finances, and access to modern services that are not possible with cash.

Which segments of society do you still see showing hesitation or difficulties in adopting digital payments? How can we help them get included?

Some segments of society continue to show hesitation or difficulties in adopting digital payments. Older generations are accustomed to cash and often have limited technological knowledge, making the use of mobile applications or bank cards seem complicated or concerning. Small businesses, especially those with higher levels of informality, are also hesitant to adopt electronic payments due to tax obligations and the perceived costs of technology. Another challenge is unbanked citizens, found mainly in rural areas, who have limited access to traditional banks. Here, fintech institutions in Kosovo are making a difference by offering simpler and more inclusive processes for opening financial accounts. Today, a citizen can open an account fully online, without visiting a bank branch, and often without costs. This shift is helping formalize the economy and create opportunities for more citizens to have financial accounts, a major step towards financial inclusion.

In addition to security and convenience, digital payments often offer financial incentives, such as cashback bonuses, promotional offers, or reward points, which are not possible with physical cash payments.



In terms of security, fast payments use advanced security standards, including multi-factor authentication, encryption, and continuous monitoring of transactions, and are often more secure than traditional payments.

nitoring, and are often more secure than traditional payments.

Another distinguishing factor is lower cost: digital financial institutions have broken the barriers of high fees that often accompany bank transfers, offering more transparent and affordable services for citizens and businesses. This means that beyond speed and security, users also benefit financially, especially in cross-border transactions.

What distinguishes a “fast” payment from a regular one? Is it safe and valuable for everyone?

A fast payment made through financial applications is executed almost in real-time, with funds immediately available to the recipient, giving assurance to the sender that the transfer has reached its destination. This differs from traditional transfers, which can take hours or even days, especially on weekends or holidays. In terms of security, fast payments use advanced standards, including multi-factor authentication, encryption, and continuous transaction mo-





Many small businesses still accept only cash. What benefits are they missing by not offering modern payment methods?

Small businesses that rely only on physical cash are missing out on many important opportunities. Keeping cash in registers increases the risk of theft and loss, while electronic payments provide safety and complete traceability of every transaction. This traceability helps with financial management, sales planning, and tax reporting. Businesses that do not offer digital payments lose customers who do not carry cash or prefer contactless payments, reducing their potential for growth in sales and services. Digital payments also make it easier to access loans and financing, as transaction history can serve as proof of a business's financial capacity. In this way, they lose the chance to compete in the market, to benefit from promotional offers and loyalty programs, and to

build a more professional and modern reputation.

How do you see the future of payments in Kosovo? Can we move towards a cashless economy within the next decade?

The future of payments in Kosovo appears to be heading towards full digitization. The banking sector is evolving, fintech companies are expanding mobile services, and smart

phones have become part of everyday life for citizens. Increased technology usage and the implementation of government regulations are creating a safe environment for electronic payments and digital economic development. Although a fully cashless economy within a decade may seem ambitious due to cultural and infrastructural barriers, a significant reduction in cash use is expected, along with a major increase in card, mobile, and instant transfers. With financial education, infrastructure investments, and cooperation between banks, fintech companies, and government institutions, Kosovo can move closer to a digital model where cash is used only in exceptional cases, and most transactions are electronic.

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Keeping physical cash in the cash register increases the risk of theft and loss, while electronic payments ensure security and complete traceability of every transaction.



ESG AND THE POWER OF GREEN BANKING: A FINANCIAL REVOLUTION

03

Mentor Hajdaraj

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Environmental, social factors and green banking in the banking sector

"However, the absence of a national taxonomy does not prevent the banking sector from voluntarily adopting the principles of the European taxonomy, relying on joint forums such as the Banking Association, and using the European Union framework as a reference. Such an approach would allow for a gradual harmonization of local practices with international standards, enhancing transparency and credibility in sustainability-related financing."

In recent years, topics related to environmental, social and governance factors ("ESG"), green banking, and corporate social responsibility have gained particular significance within the financial sector. Public institutions in Kosovo have not remained indifferent to these developments.

In this regard, it is worth noting that the Central Bank of the Republic of Kosovo ("CBK"), in December of last year, published the "Strategic Roadmap for Managing and Supervising Climate and Environmental-Related Risks in the Financial Sector for the period 2025-2027" (the "Roadmap"). This Roadmap (i) reflects the Republic of

Kosovo's international commitments to mitigate climate change and advance towards a sustainable economy; (ii) outlines the key international developments in the supervision of climate and environmental-related risks, with particular emphasis on European banking authorities; (iii) provides an analysis of the financial sector's exposure to climate transition

risks; (iv) reviews current banking sector practices in managing climate risks; and (v) identifies specific actions to be implemented during the 2025-2027 period. Furthermore, in April 2024, the CBK became a member of the Sustainable Banking and Finance Network.

In addition, the Republic of Kosovo has adopted and updated a series of normative acts related to ESG matters. Specifically, Law No. 08/L-250 on Climate Change, adopted in 2024, defines the responsibilities of state institutions to reduce greenhouse gas emissions and to undertake adaptation measures to address climate change. Under this Law, the preparation of a National Energy and Climate Plan is required, with the aim of setting binding objectives for the reduction of emissions and the increase of share of renewable energy sources. As a result, an indirect obligation is also created for financial institutions to contribute to the implementation and financing of measures aimed at reducing greenhouse gas emissions, namely through projects that promote green banking and a sustainable economy.

Furthermore, Law No. 08/L-209 on Sustainable Investments, which replaced the previous law on foreign investments, defines the priority sectors for sustainable investment, such as manufacturing, agriculture, energy, and other sectors with significant development impact. The law stipulates that projects incorporating environmental and social components are eligible for tax and customs incentives, as well as support through subsidies and facilitated access to economic and industrial zones.

Although these legislative initiatives provide a solid foundation for promoting the achievement of environmental, social, and governance / ESG objectives, the full implementation

of these principles continues to face challenges due to the absence of a national taxonomy.

The taxonomy represents a key strategic instrument for the banking sector, as it provides a clear framework for identifying and classifying economic activities that qualify as "sustainable" from an ESG perspective. In essence, taxonomy functions as a standardized classification system through which financial and economic sectors can direct financing toward activities that genuinely contribute to sustainable development.

In its Strategic Roadmap, the CBK emphasized that the establishment of such a taxonomy exceeds its institutional mandate, since a national green taxonomy would need to encompass not only financial institutions but also non-financial corporations and public sector entities.

STRATEGIC ROADMAP CBK 2025-2027



Kosovo's commitment to international climate goals



International practices and regulations (EU focus)



Analysis of the financial sector and exposure to climate risk



Existing practices of banks in managing climate risks



Concrete measures 2025-2027



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The lack of a taxonomy creates the risk that banks will be exposed to hidden risks, due to the mismatch between lending policies and the national and European green agenda.

Nevertheless, the absence of a national taxonomy does not prevent the banking sector from voluntarily adopting the principles of the EU taxonomy, by leveraging joint platforms such as the Kosovo Banking Association, and using the European Union framework as a reference point. Such an approach would enable a gradual alignment of domestic practices with international standards, thereby enhancing transparency and credibility in sustainability-related financing.

A voluntary taxonomy would have a multifaceted impact on advancing the implementation of ESG principles. First, taxonomy enables banks to set prices, in this case, interest rates, in a fair, constituent, and harmonized manner relative to the risks associated with different economic activities. In its absence, the assessment of what constitutes a “green” or “non-green” activity remains subjective. For instance, one bank may classify a project as sustainable, while another may view the same project as risky and therefore apply a higher financing cost due to differing risk perceptions. This results in pricing discrepancies and undermines fair competition in the financial market with respect to the implementation of ESG principles.

Second, the lack of a taxonomy exposes banks to the risk of hidden vulnerabilities, stemming from the misalignment between lending policies and the national and European agenda. This is particularly significant given that the implementation of the green agenda in Kosovo is expected to become more rigorous, in line with the commitments undertaken at the Sofia Summit (2020) and the process of alignment with the Green Agenda for the Western Balkans.

For illustration, clients who have obtained loans for economic activities that may in the future become subject to carbon taxes or similar regulations risk facing increased operational costs and reduced financial sustainability. This, in turn, can heighten credit risk for banks, in the absence of a clear classification system distinguishing activities with positive environmental impact from those with negative impact.

Consequently, voluntary initiative aimed at aligning with the EU taxonomy, even in the absence of a formal requirement from the legislator or regulator, represent proactive and necessary steps for preparing the banking sector for the green transition. Such measures help banks build institutional capacity, develop sustainable internal policies, and enhance resilience to future risks, thereby safeguarding financial stability during the transition toward a green economy.



Jehona Oruqi Kica

Deputy Group Head for Loan Management and ESG Coordinator
BKT Kosova

Good governance as a pillar of ESG

“The transition from governance principles to daily practice requires clear commitment. For banks, this means integrating ESG into credit risk policies, strengthening reporting practices, and utilizing digital tools that enhance compliance and monitoring.”

Environmental, Social, and Governance (ESG) has become the global framework guiding sustainable finance. While the “E” and “S” elements often dominate public discussion, it is the “G” — governance — that forms the true foundation. Without effective governance, environmental commitments risk being symbolic, and social programs risk being inconsistent or short-lived. In the banking sector, governance defines how institutions are directed, controlled, and held accountable. It ensures decisions are not only legal, but also ethical, transparent, and

aligned with the long-term interests of clients, shareholders, and society at large. *In my view, without good governance, ESG remains only a statement without proper foundation.*

Governance in financial institutions is not simply about appointing a board of directors. It is about how that board actively oversees risk, how ethical standards are embedded across departments, and how transparency is maintained in day-to-day operations. It includes the existence of clear internal controls, credible reporting systems, and mechanisms such as whistleblowing programs that allow

issues to surface before they become crises. In practice, good governance shows itself through resilience, clarity of purpose, and the ability to integrate ESG into lending and investment decisions. Several banks in Kosovo, including BKT Kosovo, have taken more concrete steps in implementing ESG principles. These are early but important steps, signaling that governance is moving from theory to practice in the region.



"Banks in the Eurozone with robust governance face fewer enforcement actions. In fact, the number of formal sanctioning proceedings rose by 19% in 2024, reflecting growing regulatory scrutiny for lapses. Strong governance minimizes exposure to such penalties."

(Source: PwC, ECB SSM Sanctioning Activities Report 2024)

THE OUTCOMES OF STRONG GOVERNANCE

MOVING FROM PRINCIPLE TO PRACTICE

REFLECTIONS FROM EXPERIENCE

When governance functions well, the results are visible. Banks with clear governance frameworks demonstrate greater resilience during periods of economic uncertainty. They are better able to respond to crises such as the pandemic or energy price shocks because their decision-making processes are structured and rooted in risk awareness. Good governance also fosters trust. In an age where clients demand transparency and investors seek assurance that their money is handled responsibly, governance is the signal of integrity. It lowers compliance risk, reduces the likelihood of misconduct, and ultimately safeguards the institution's license to operate. Just as importantly, it opens the door to new sources of capital. Development finance institutions and international investors increasingly tie their funding to ESG performance.

Translating governance principles into daily practice requires intention. For banks, this means embedding ESG considerations into credit risk policies, strengthening disclosure practices, and making use of digital tools that improve compliance and monitoring. It means ensuring ethics programs are not written documents alone but active parts of organizational culture. Regulators, for their part, play a decisive role by setting clear expectations and aligning local requirements with European Union frameworks. A consistent regulatory environment ensures that all banks operate under the same standards, reducing the temptation to see governance as an optional or secondary priority.

Working in a bank for over two decades has allowed me to see how governance determines results in practice. In loan portfolios, governance is what prevents short-term profit from overwhelming long-term prudence. It defines how risks are assessed, priced, and monitored, and ultimately determines whether a bank is exposed to systemic shocks or positioned to withstand them. When I was involved in building and managing an ESG department, I learned that governance had to be part of how we design financial products. Without governance, ESG labels risk being dismissed as marketing. With governance, however, they become measurable commitments. For example, climate risks can be systematically assessed in lending decisions, digital systems can monitor exposures, and regulators and investors can have confidence in what is reported. Governance, in this sense, is not only a duty but a strategic

asset. It is what transforms ESG from a promise into a measurable reality.



LOOKING AHEAD: GREEN, DIGITAL, AND AI BANKING

The future of banking in Kosovo – and globally – will be shaped not just by the twin forces of the green transition and digital transformation, but increasingly by artificial intelligence. For institutions that wish to lead, not follow, governance must adapt to oversee not only environmental risk and digital integrity, but also how AI is used: responsibly, transparently, and sustainably. This evolution means that digital tools are powerful only if governance ensures data quality, model transparency, and accountability. Any AI system used for loan decisions, risk scoring, or ESG reporting must be anchored in strong oversight: human-in-the-loop reviews, clear ownership, and robust testing. Without those, trust can quickly erode. Meanwhile, green finance will gain in credibility only if sustainability reporting is verifiable, consistent, and integrated into broader governance and AI frameworks. AI can help here by automating disclosure, detecting anomalies, benchmarking performance but only

when the systems are designed with ethical guardrails, energy-efficient models, and clarity about data sources. Governance, then, becomes the silent but essential conductor of the banking orchestra: ensuring that digital systems, AI tools, and green finance harmonize rather than clash. Those banks that invest now in strong AI governance – from the boardroom down – will not only meet evolving regulatory demands (especially in Europe) but also position themselves as trusted partners for customers, investors, and communities.



In an era when customers demand transparency and investors want assurance that their money is being managed responsibly, governance is the indicator of integrity.



Ganimete Dragusha Ganiu
ESG Specialist, Product Management &
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Raiffeisen Bank Kosova

Being young and responsible: The role of youth in building a sustainable economy

"At a time when global challenges are intensifying, including climate change, social inequality, and persistently high youth unemployment, an inclusive approach to sustainable development has become increasingly necessary. In this context, the role of youth is not only important; it is essential. Young people are no longer merely "the future" they are key actors in shaping a more just, greener, and inclusive economy".

Youth as a Catalyst for Change In Kosovo, the majority of the population is under the age of 30. This demographic potential, if directed toward sustainable development goals, can serve as a powerful driver of economic and social

transformation. Today's youth are not only consuming differently – they are also working, communicating, and engaging in ways that are reshaping our shared reality.

However, to turn this potential into lasting impact, young people must be

empowered through quality education, access to opportunities, and active participation in decision-making. They possess ideas, passion, and energy – yet they often lack the tools and space to bring their ideas to life.

A SUSTAINABLE ECONOMY IS BUILDING ON THREE PILLARS:



Environmental protection, through the promotion of clean energy and responsible consumption.



Social inclusion, ensuring equal opportunities for all citizens, regardless of background or economic status.



Good governance, emphasizing transparency, ethics, and accountability in both the public and private sectors.

A SUSTAINABLE ECONOMY AND YOUTH PARTICIPATION

A sustainable economy is not defined solely by traditional economic growth. It is built upon three key pillars:

- Environmental protection, through the promotion of clean energy and responsible consumption.
- Social inclusion, ensuring equal opportunities for all citizens, regardless of background or economic status.
- Good governance, emphasizing transparency, ethics, and accountability in both the public and private sectors.

Young people have the opportunity to influence each of these pillars through their lifestyles, consumer choices, participation in the labor market, and engagement in socially and environmentally impactful projects.

FINANCIAL EDUCATION AS A FOUNDATION FOR RESPONSIBLE DECISION-MAKING

One of the most significant barriers to active youth participation in the economy is the lack of financial education. Without sufficient knowledge about budgeting, banking products, credit, or investment, many young people enter financial relationships without fully understanding the long-term consequences of their decisions.

This gap highlights the urgent need for comprehensive financial literacy programs, beginning in secondary education and continuing through digital platforms, practical workshops, and partnerships between educational institutions and the financial sector.

Only by strengthening basic financial knowledge can we expect more responsible behavior and conscious economic engagement from young people.

YOUTH AS CONSCIOUS CONSUMERS AND SUSTAINABLE ENTREPRENEURS

The daily choices young people make – from the products they purchase to the platforms they use – can gradually shift the market toward more sustainable solutions. Youth have the power to influence industries through conscious consumption and by supporting businesses that practice social and environmental responsibility.

Moreover, an increasing number of young people are turning to entrepreneurship, particularly in the fields of technology and green innovation. Creating supportive spaces for idea development and providing early-stage financing are essential to transforming those ideas into initiatives that generate real and long-term impact.



Lack of financial education hinders the economic inclusion of young people, leading them to make financial decisions without understanding the long-term impact.



THE ROLE OF THE FINANCIAL SECTOR: FROM SERVICE PROVIDER TO DEVELOPMENT PARTNER

The financial sector has both a moral and professional obligation to act as a key player in building a sustainable economy. By integrating ESG (Environmental, Social, and Governance) standards, financial institutions can directly contribute to youth empowerment by:

- Developing youth-friendly financial products, including savings accounts with educational components, business loans for startups, and user-friendly digital platforms for personal finance management,
- Supporting financial literacy programs in collaboration with

schools, universities, and civil society organizations,

- Financing youth-led projects with social and environmental impact, through sustainability funds or impact investing mechanisms.

This should be understood as a sincere and necessary commitment to contributing to the country's long-term development.

lusive transition toward a sustainable economy.

With the right support from educational institutions, the private sector, and especially financial institutions, youth can become the cornerstone of sustainable development.

Because every decision made today — every product chosen, every financial service used, every idea promoted — is a step toward building the economy we aspire to.

YOUTH AS THE FOUNDATION OF A SUSTAINABLE FUTURE

Being young is not merely a biological stage — it is a moment of exceptional opportunity to act. The youth of Kosovo are equipped with creativity, social awareness, and digital skills — key components for a just and inc-

And that economy begins with a responsible generation.



Dr.Sc. Faton Ramadani

Chief Risk Officer
Banka Ekonomike

ESG and Green Banking: Transforming towards a positive impact economy

"ESG and green banking represent the future of the financial sector, reshaping the role of banks from passive financiers to active enablers of sustainable development. For Kosovo, this transformation offers a unique opportunity to take a significant step toward a greener, more inclusive, and more sustainable economy."

Over the past decade, the global financial sector has been undergoing a fundamental transformation driven by the increasing integration of Environmental, Social, and Governance (ESG) principles. Banks are no longer perceived solely as intermediaries of capital; they are becoming strategic enablers of sustainable development. The green banking agenda reflects a paradigm shift from traditional profit-maximiza-

tion models to a broader vision where long-term value creation includes environmental stewardship, social inclusion, and strong governance practices.

In Kosovo, this transformation is gaining momentum. Driven by international frameworks, regional commitments, and rising stakeholder expectations, banks are embedding ESG into their strategies, risk management frameworks, and lending

policies. This shift aligns with the country's sustainable development goals, the EU's Green Deal, and the broader Western Balkan green transition.

ESG encompasses three core pillars: Environmental: Banks' direct and indirect environmental impacts, including carbon footprint, energy efficiency, financing of green projects, and climate risk management.

Social: Commitment to diversity, financial inclusion, customer protection, employee well-being, and community development.

Governance: Strong corporate governance structures, ethical conduct, transparency, and accountability.

For banks, ESG is not merely a corporate responsibility initiative, it is a risk and opportunity framework. Integrating ESG into lending and investment decisions reduces exposure to climate-related and reputational risks while opening new market opportunities in green finance, renewable energy, and sustainable infrastructure.

Green banking refers to banking practices that actively promote environmental sustainability, both in internal operations and in financing activities. This includes:

- Green lending – financing renewable energy projects, energy-efficient housing, sustainable agriculture, and circular economy initiatives.
- Green bonds – issuing or investing in bonds dedicated to environmentally beneficial projects.
- Sustainable operations – reducing banks' operational carbon footprint through energy-efficient buildings, paperless processes, and renewable energy use.

Global regulatory frameworks such as the EU Taxonomy for Sustainable Activities and the Task Force on Climate-related Financial Disclosures (TCFD) are setting the standard for classifying, reporting, and verifying green finance activities.

ESG INCLUDES THREE MAIN PILLARS:



ENVIRONMENTAL:

Banks' direct and indirect impacts on the environment, including carbon footprint, energy efficiency, green project financing and climate risk management.



SOCIAL:

Commitment to diversity, financial inclusion, customer protection, employee well-being, and community development.



GOVERNANCE:

Strong corporate governance structures, ethical conduct, transparency, and accountability.

ESG INTEGRATION IN KOSOVO'S BANKING SECTOR

The Kosovo banking sector is at the early but promising stages of ESG integration. Several banks have already:

- Adopted ESG policies and sustainability reporting aligned with Global Reporting Initiative (GRI) standards.
- Introduced loan products supporting green investments, such as energy-efficient home retrofitting and solar panel installation.
- Collaborated with international financial institutions like the EBRD and KfW to channel green financing lines.

The Kosovo Banking Association's Sustainable Banking and ESG Committee has emerged as a key platform for promoting sector-wide ESG alignment, knowledge sharing, and regulatory advocacy. The Central Bank of Kosovo (CBK) has published the guidelines for ESG risk integration within the broader prudential framework.

BENEFITS AND OPPORTUNITIES

Adopting ESG and green banking practices creates multi-dimensional value:

- Risk Mitigation – Better management of climate, environmental, and reputational risks.
- Competitive Advantage – Enhanced brand reputation and stronger relationships with ESG-conscious investors and customers.
- Regulatory Readiness – Alignment with emerging EU

and international sustainability regulations.

- Market Development – Opening new revenue streams in green lending, sustainable bonds, and ESG-linked investment products.
- Social Impact – Supporting financial inclusion and community resilience.

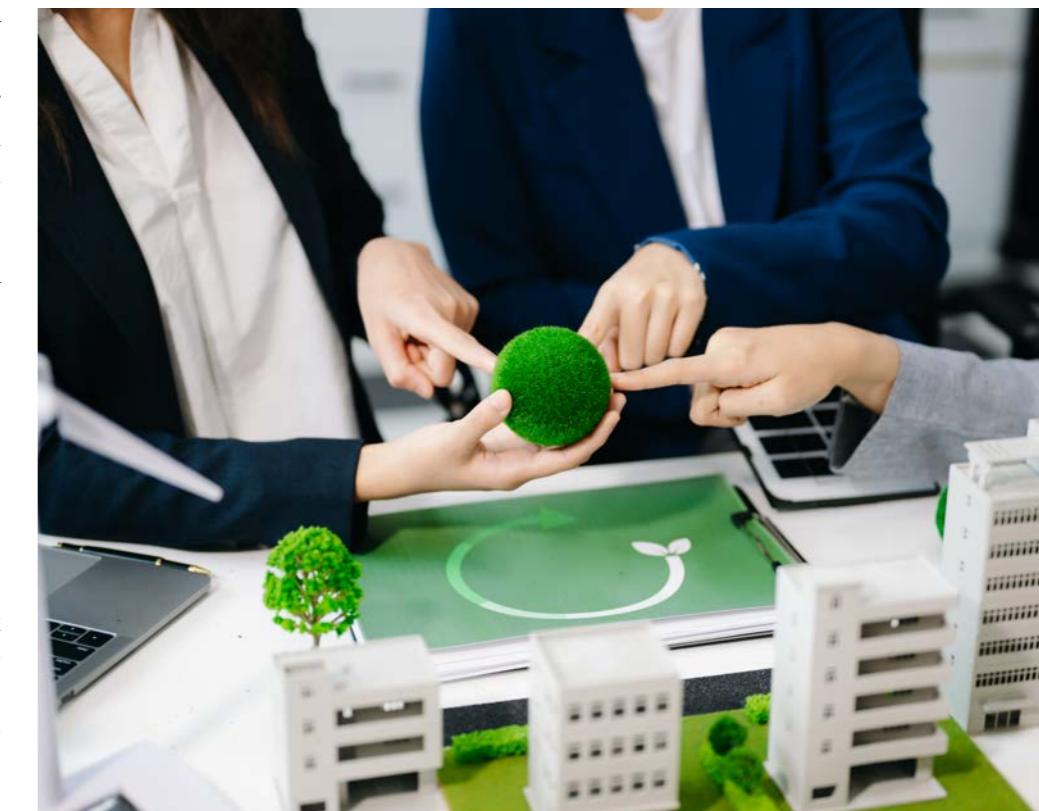
Despite the growing momentum, Kosovo's banks face several challenges in fully integrating ESG:

- Data and Reporting Gaps – Limited availability of consistent, high-quality ESG data.
- Regulatory challenges – Lack of a national ESG taxonomy or reporting standard.
- Capacity Constraints – Need for specialized skills and resources for ESG risk assessment.
- Market Awareness – Low customer awareness about green finance opportunities.
- Addressing these gaps requires joint efforts by regulators, banks, development partners, and civil society.

THE ROAD AHEAD: BUILDING A POSITIVE IMPACT ECONOMY

For Kosovo's banking sector, the ESG and green banking agenda is not just a compliance exercise—it is a strategic transformation towards enabling a positive impact economy. This involves:

- Developing sector-specific ESG guidelines in cooperation with the CBK and the Kosovo Banking Association.
- Expanding green finance portfolios with tailored products



for SMEs, households, and municipalities.

- Embedding ESG risk assessment in credit underwriting and investment decision-making processes.
- Strengthening transparency and disclosure through standardized sustainability reporting.
- Promoting financial literacy to increase demand for sustainable financial products.

The shift towards a sustainable economy is inevitable. Banks that position themselves as leaders in ESG integration will not only meet stakeholder expectations but also drive long-term economic, environmental, and social value.

ESG and green banking represent the future of the financial sector, reshaping the role of banks from passive financiers to active enablers of sustainable development. For Kosovo, this transformation offers a unique opportunity to leapfrog into a

greener, more inclusive, and more resilient economy.

The journey requires commitment, innovation, and collaboration across the financial ecosystem. By embracing ESG principles, Kosovo's banks can contribute meaningfully to a positive impact economy—one where financial success and sustainability go hand in hand.



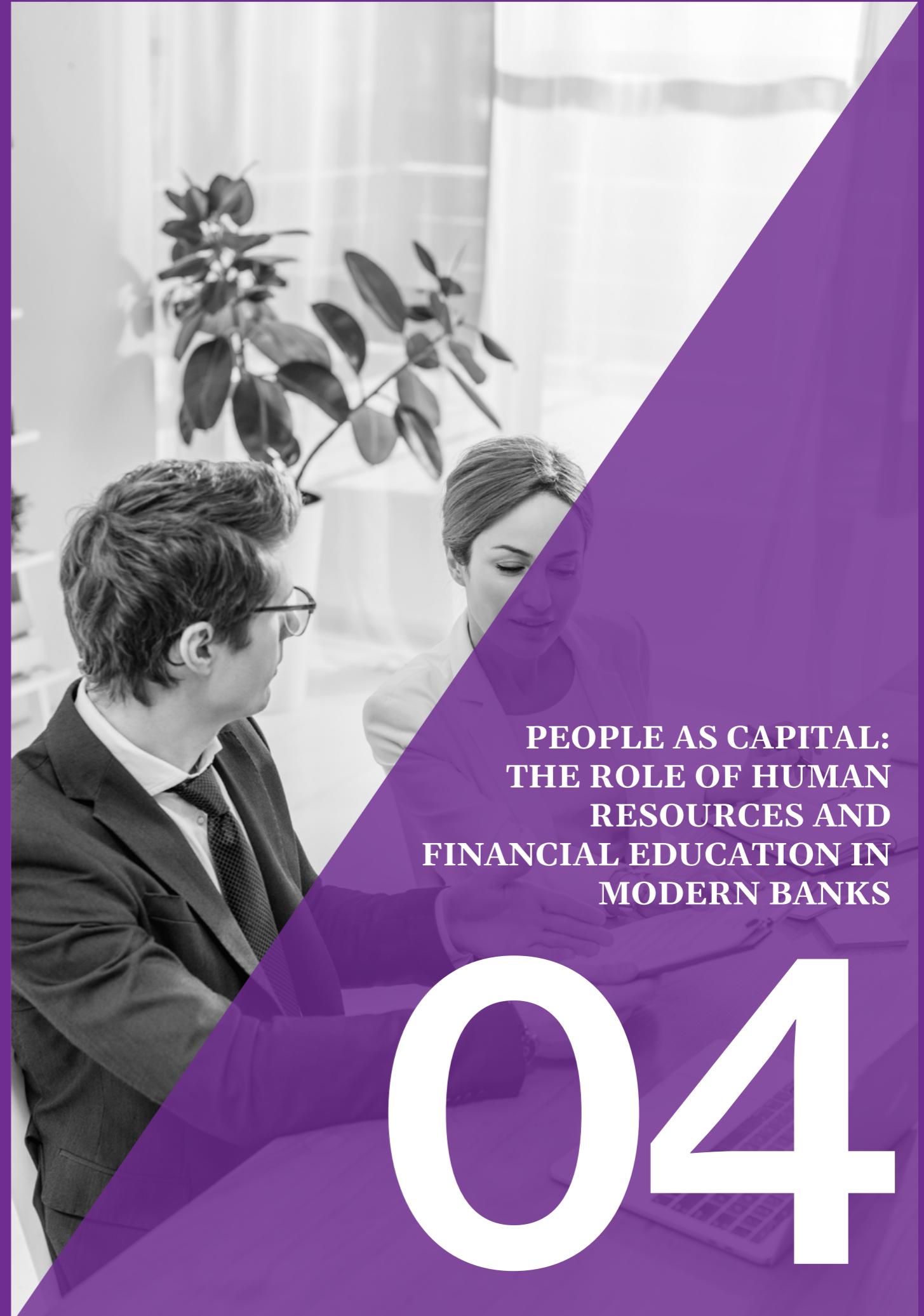
By embracing ESG principles, Kosovo's banks can significantly contribute to building a positive impact economy.



For Kosovo's banking sector, the ESG and green banking agenda is not just a regulatory obligation – it is a strategic transformation towards enabling a positive impact economy.

This includes:

- Developing sector-specific ESG guidelines in collaboration with the CBK and the Association of Kosovo Banks.
- Expanding green finance portfolios with products tailored for SMEs, individuals and municipalities.
- Integrating ESG risk assessment into credit approval and investment decision-making processes.
- Strengthening transparency and reporting through harmonized sustainability reporting standards.
- Promoting financial education to increase demand for sustainable financial products.



PEOPLE AS CAPITAL: THE ROLE OF HUMAN RESOURCES AND FINANCIAL EDUCATION IN MODERN BANKS

The Training Program at the Kosovo Banking Association



Kreshnik Kosumi
Operations Manager
Kosovo Banking Association



Training program at the Kosovo Banking Association – An important pillar for the development of professional capacities in the banking sector.

The Training Program at the Kosovo Banking Association

For more than two decades, the Kosovo Banking Association (KBA) has become the main destination for the professional development of employees in the country's banking sector. With an unwavering commitment to capacity building and continuous improvement of professional knowledge, the KBA remains the only institution in the banking industry that offers specialized training in the financial field in Kosovo.

Training Based on the Real Needs of Banks

Each year, the KBA undertakes a structured and comprehensive process to assess training needs, collaborating closely with its member banks to identify priority areas that require capacity building. This approach ensures that the programs offered are relevant to the industry, creative in content, and applicable in practice—directly serving to improve employees' performance in their daily duties. The training programs are designed to reflect the latest market developments, regulations, technical requirements, and the evolution of technology in the financial sector. As a result, participants gain up-to-date and practical knowledge.

Quality Built on Experience

The KBA Training Center organizes 12 to 15 training programs each year, covering a wide range of topics of importance to the industry. These programs train approximately 200 to 300 financial sector professionals annually. This consolidated experience over 20 years demonstrates the KBA's seriousness and competence in the professional development of the banking sector. Additionally, each year, about 20 professionals are sent to international certification programs abroad through the KBA's partners.

Key topics and priority areas

The training programs offered by the KBA cover various topics, divided into several key areas, such as:

- Risk management and compliance
- Lending and financial analysis
- Anti-money laundering and combating the financing of terrorism (AML/CFT)
- Capital Markets – Financial Instruments, Investment Banking, Securities
- Internal Audit – Risk Assessment, Compliance, Corporate Governance
- Cybersecurity and data protection
- Banking regulations and international standards
- Digital transformation and financial technologies (FinTech)
- Training in the areas of environment, society, and governance (ESG)
- Financial reporting and bank accounting
- Customer services and customer relationship management
- Soft skills like communication, leadership, time management, and professional presentation.

These fields are carefully selected to address the current demands and challenges of the banking sector and to support the career advancement of banking professionals.

The banking sector is in a continuous transition, especially with the rapid development of new technologies and the digitalization of services, so the need for up-to-date training in digital fields has increased.

Collaboration with Experts and International Institutions

The KBA collaborates with a wide network of local and international partners to guarantee the quality and professional content of its training. Partnerships with institutions like the House of Training/Financial Technology Transfer Agency (ATTF), International Finance Corporation (IFC), Finance in Motion, German Sparkassenstiftung for International Cooperation, and many other professional international and local organizations enable the KBA to bring expertise based on global best practices.

The training is led by international experts with extensive experience in the banking field, who bring modern and interactive approaches to the learning process. The methodologies used include interactive workshops, case studies, practical simulations, group work, and exercises focused on real-world work situations, making the training experience more dynamic and effective.



Adapting to Market Developments and Digitalization

The banking sector is in a constant transition, especially with the rapid development of new technologies and the digitalization of services. In this context, the need for updated training focused on digital areas has become more necessary than ever before. The KBA is working to address this transformation by offering training in financial technology, artificial intelligence in banking, and cybersecurity, and by including relevant certifications for specific fields that require in-depth technical and regulatory competencies.

Future Plans: Towards a More Comprehensive and Strategic Approach

Given the dynamics of the market and the ever-increasing demands for professional human resource development, the KBA aims to expand its offerings beyond technical and professional training to include longer-term programs that combine technical and soft skills. The focus of these new programs will be the development of new leaders in the banking sector through combined programs that include intensive training, individual coaching, practical assignments, and performance monitoring. This will help prepare the next generation of leaders who will guide the Kosovo banking sector toward sustainable and innovative development.

Building Local Expertise: Train the Trainer

Another important component of the KBA's vision is the development of local expertise through the "Train the Trainer" program for the most important areas of the sector. This program aims to prepare professionals from member banks to serve as certified trainers for the internal needs of the sector and the KBA training center itself. This approach will strengthen the sustainability of training delivery and leverage the local knowledge and experience created over the past two decades.

The Training Center: A Bridge Between Work and Development

The KBA Training Center aims to further develop programs closely related to "job matching skills" to help professionals, especially those in the early stages of their careers, quickly adapt to the demands of their jobs. In this regard, the Center serves as a bridge between the job market and professional development, directly contributing to the improvement of the quality and competitiveness of the banking sector in Kosovo.

Conclusion

The role of the KBA in developing professional capacities is essential for the banking sector in Kosovo. With extensive experience, a strategic approach, close collaborations, and a clear vision for the future, the KBA remains a key player in empowering human resources and modernizing the country's banking industry.

For more information about the training programs and activities of the Training Center, you can visit the official website of the Association:

www.bankassoc-kos.com.



**Nora Uka**

Department Manager of Marketing & PR
Banka Ekonomike

BANKING AND ITS ROLE IN FINANCIAL EDUCATION

In an era where technology and financial services are rapidly developing, financial education is no longer a luxury, but a necessity for every individual and business. Understanding banking products, managing a personal budget or a business's finances, and using credit responsibly are skills that directly impact an individual's economic well-being and market stability. In this context, banks have taken on a much broader role than just service providers: they are becoming strategic partners in the financial education of customers and the community.

FINANCIAL EDUCATION, A NECESSITY IN MODERN TIMES

Many people are faced every day with decisions that directly affect their economic stability: how to save, how to avoid unnecessary debt, how to plan for the future. However, not everyone has the necessary knowledge to make informed decisions. This brings uncertainty, stress and often wrong financial decisions that negatively affect personal and family life.

This is where the role of financial education comes into play, a process that should not be complicated or tedious, but understandable and built on real-life situations. And banks are in the best position to enable this education.

EDUCATION THAT STARTS IN CHILDHOOD: INTERNATIONAL MONEY WEEK

Forming healthy financial habits starts in childhood. Banks in Kosovo and globally have realized that investing in the financial knowledge of young generations has a long-term impact. A significant example is International Money Week, every year, during this week, educational activities are organized in schools, community centers and educational institutions, with the aim of teaching children and young people the basics of money management.

Through lectures in kindergartens, primary and secondary schools, interactive activities and educational materials, children learn about saving, the value of money, the difference

between needs and wants, as well as the importance of planning. This investment in financial education helps these young people to be informed and responsible when faced with decisions such as opening a bank account or taking out a loan.

THE ROLE OF MARKETING IN FINANCIAL EDUCATION

In the banking sector, marketing is not only about promoting products and services, it has another, equally important mission: to inform and educate the customer. Through well-structured campaigns, educational content, events and daily communication, marketing helps raise awareness of the importance of financial planning, saving and responsible use of credit.

Concrete examples are blog articles, explanatory videos, infographics, podcasts with financial experts, and even posts on social networks that explain complex financial terms in a simple way. All these forms of communication make education more accessible, closer and more understandable for everyone.

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In an era where technology and financial services are rapidly developing, financial education is no longer a luxury, but a necessity for every individual and business.

DIGITAL PRODUCTS ECONOMICAL AND PRACTICAL:



E-BANKING AND M-BANKING:

enable customers to monitor accounts in real time, track expenses and better plan income and payments.



SMS BANKING:

offers transparency and immediate information on account movements, a way to create awareness about consumption.



CHATBOTS:

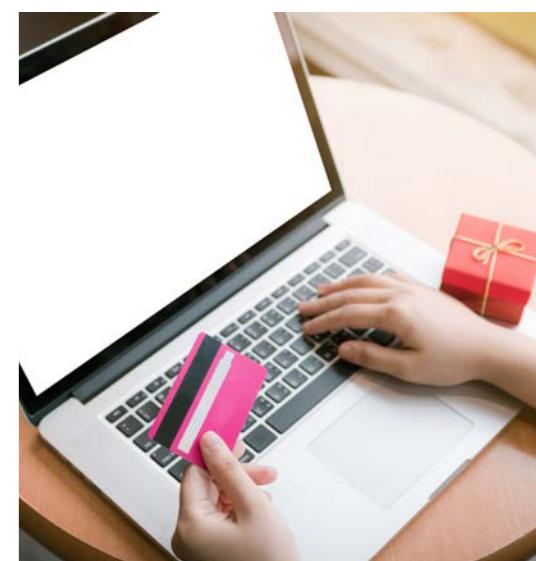
are another important source of education, answering frequently asked questions in a fast, simple and understandable way.

DIGITAL PRODUCTS AS A TOOL FOR EDUCATION AND INCLUSION

In addition to education through traditional communication, banks today have at their disposal a wide range of digital products that are not only practical, but also educational in themselves:

- E-banking and m-banking enable customers to monitor accounts in real time, track expenses and better plan income and payments.
- SMS banking offers transparency and immediate information on account movements, a way to create awareness about consumption.
- Chatbots are another important source of education, answering frequently asked questions in a fast, simple and understandable way.

These tools are not just technology, they are bridges of communication and learning for customers, helping them feel more confident and better able to manage their money.





FOCUS ON GROUPS WITH LESS ACCESS TO FINANCIAL EDUCATION

It is important to recognize that not everyone has the same access to financial information. These include:

- Women, who often face structural and cultural barriers to becoming more financially independent. Banks have an important role to play in empowering women financially, through education, tailored products, and easier access to credit.
- Small businesses and startups, which are often run by young, passionate individuals who may lack financial management skills. Financial education for these groups not only helps the individual, but also the economic development as a whole.
- Marginalized communities, where access to information and trust in financial institutions are lacking. Awareness campaigns and tailored services are essential to break down these barriers.

FINANCIAL EDUCATION IS AN INVESTMENT FOR EVERYONE

Financial education is the basis of a long-term relationship with the client. By providing knowledge and clarity in financial decision-making, we contribute to creating more aware, responsible and loyal clients.

In this regard, financial education should not be seen only as a social initiative or as a temporary activity, but as a long-term strategy for the development of the banking sector and society. It is a process that should include all bankers, teachers, institutions, communities and every individual who wants to have a more financially stable future.

Financial education is the basis of a long-term relationship with the client.



Besim Shala

Head of HR Operations and Benefits Unit
ProCredit Bank

Digital transformation and the expanding role of HR

“People, as the most valuable asset of any institution, are at the center of any success strategy. Given this, the Human Resources function, as a strategic business partner, works continuously to identify and build talent and align them with business objectives and needs, supports the development of leaders, and plays a key role in shaping organizational culture.”

The global banking sector is undergoing continuous transformation. Technological advancements are reshaping how banks operate, serve their clients, and manage their employees. In this dynamic landscape, the Human Resources (HR) function is evolving rapidly, from a traditional administrative role into a strategic partner that helps banks adapt to new technologies and develop their human capital.

Historically, HR focused primarily on administrative tasks: managing employee files, contracts, and institutional compliance. Training was often standardized and held annually, while recruitment was a slow, paper-based

process. This was especially true in banking institutions, where HR was more administrative than strategically aligned with employee development or reaching business goals.

Traditionally, banks relied heavily on physical branches and face-to-face customer service. Today, most banking services are delivered digitally via mobile apps, digital cards, online platforms, and automated systems.

The adoption of modern technologies such as artificial intelligence (AI), data analytics software, and mobile platforms has enabled banks to offer more efficient services to clients and empower employees to work more productively. However, successful integration of these technologies requires a workforce that understands and embraces them. This is where HR becomes crucial, playing a key role in helping institutions adopt and integrate new technologies effectively.

Today, HR has moved beyond its conventional boundaries and become a strategic function focused on development and innovation. This shift helps banks remain competitive in the labor market, attract qualified talent, and prepare employees to face future challenges with agility and openness to change.



AI software helps HR teams and managers monitor employee performance in real time and easily identify training needs.

HR AS A STRATEGIC BUSINESS PARTNER

People are the most valuable asset of any institution, and they lie at the heart of every successful strategy. Recognizing this, HR is now a strategic business partner and works continuously to identify and foster talent, align it with business objectives, support leadership development, and shape organizational culture.

Modern HR is no longer just a support function; it's an integral partner in defining and achieving business goals. Using intelligent data analysis tools, HR professionals can identify skill gaps in real time and design targeted recruitment strategies to attract candidates with the right qualifications. These insights also inform training programs, certification offerings, and mentoring initiatives that help employees acquire the necessary skills and knowledge.

By leveraging new technologies, HR contributes directly to institutional success, ensuring that the right people with the right skills are in the right roles to drive innovation and meet strategic objectives.

ARTIFICIAL INTELLIGENCE IS RESHAPING HR

AI is playing an increasingly important role in transforming HR functions. In many modern banking institutions, AI is used to automate daily tasks such as drafting contracts, managing employee records, scanning CVs, scheduling interviews, and matching

applicants to suitable roles based on required skills.

AI-powered software helps HR teams and managers monitor employee performance in real time, predict turnover based on historical data, and identify training needs with ease. Chatbots are also being widely adopted to provide instant support on HR-related queries, from basic requests to interactive learning opportunities.

This automation allows HR professionals to focus their time on talent development and innovation support.

In Kosovo, AI adoption is still in its early stages. However, its importance is growing, especially in the banking sector, where digital transformation is accelerating. While current use is limited to basic applications, global trends, technological advancements, tech-savvy youth, and the push to modernize services are driving the local market toward deeper and more strategic use of AI.

Even as technology automates many daily processes, HR's role in building an open, development-oriented organizational culture remains irreplaceable. In a rapidly changing work environment, it's essential to maintain a balance between technological innovation and human values. Ultimately, it's people who give meaning to technology and culture that define long-term institutional success.



EMPLOYEE EXPECTATIONS IN THE DIGITAL ERA

In today's digital age, employee expectations have evolved significantly. HR now faces a new work reality and a generation of employees whose demands differ greatly from those of the past.

Modern employees want more than a stable salary income. They seek employers who welcome innovation and technology, and who use digital tools to streamline daily tasks. They want to avoid repetitive, technical work that can be automated, and instead contribute to creative and strategic projects.

Flexibility and work-life balance are also highly valued. Employees want continuous learning and growth and expect their employers to provide the support and environment to make that possible.

To meet these expectations, HR must create adaptable work environments, offer flexible working hours and enable hybrid or remote work options. Encouraging the use of new technologies and platforms that simplify daily tasks, along with providing digital learning tools, is essential. This approach fosters a culture of continuous learning and development.

To achieve sustainable results, institutions must adopt a performance and outcome-oriented mindset, focusing less on hours spent in the office and more on individual contributions and alignment with strategic business goals.

In Kosovo, the adoption of AI is in the early stages, but this does not diminish its importance, especially in the banking sector, where digital transformation is constantly growing.

Human Resources Transformation is a process that requires continuous investment in both technology and people, and is key to the long-term success of banking institutions and companies in general, therefore banks should not delay strategic investments in technology, but this should happen immediately.

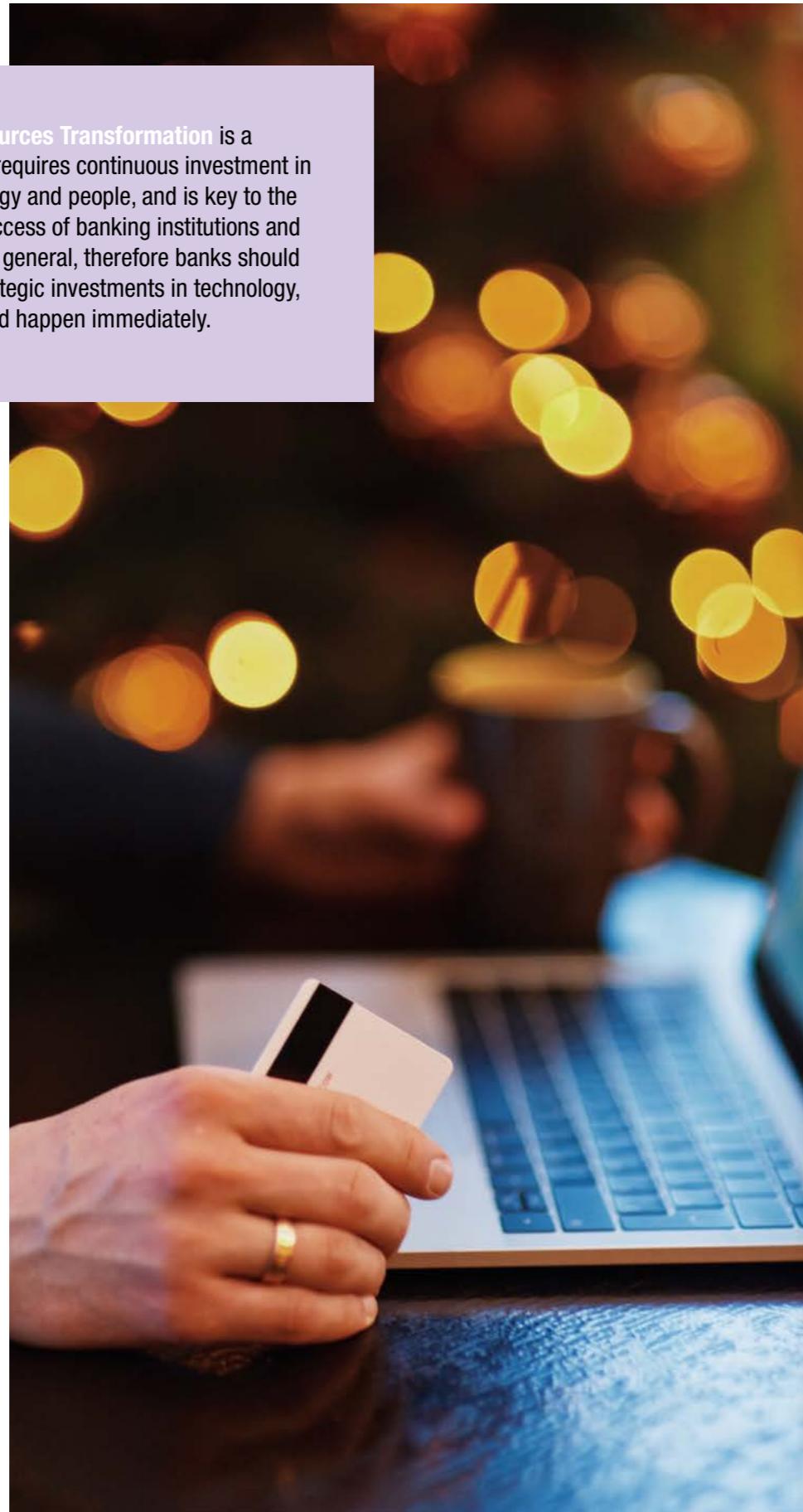


DIGITAL TRANSFORMATION: A CONTINUOUS JOURNEY

Digital transformation has profoundly impacted how banks operate and how HR functions contribute to this process. It has opened new opportunities for managing human capital, positioning HR as a true strategic partner in achieving business objectives.

By focusing on talent development, addressing skill gaps, leveraging advanced technologies, and adapting to the expectations of a new generation of employees, banks are better equipped to face future challenges and deliver innovative services.

HR transformation requires ongoing investment, in both technology and people and is critical to the long-term success of banking institutions and businesses. Banks must not delay strategic investments in technology. The time to act is now.



Valmira Gashi Mehmeti
Card Business Sector
Manager, BPB



Gent Rexhepi
Deputy Head of the IT
Department, BPB



The role of technology in financial education

How to educate the new generations on finance - Best methods for teaching youth about saving, investing and money management

"In a world increasingly driven by digital innovation, financial education has surpassed traditional boundaries and is evolving in step with technological advancements that are reshaping our economies. It has become a vital life skill. Teaching young people how to save, invest, and manage money is no longer optional – it is essential. "

Financial education is particularly necessary for the younger generation embarking on their financial independence. These young individuals face numerous challenges in managing expenses and often lack even the most basic skills related to saving and investing, which may lead to stress and financial instability.

In this context, initiating financial education at an early age brings long-term benefits. Financial experts recommend that parents start discussing money management with their children early on and allow them some autonomy in making decisions about how to spend money. This approach fosters the development of sound financial habits from childhood. Integrating these practices into the education system is equally critical to ensuring comprehensive outcomes.

Technology further reinforces this approach, reshaping not only how the world communicates and accesses information but also offering unparalleled opportunities for innovative financial education. For younger generations, whose lives are already deeply intertwined with technology, traditional methods of financial education can often feel outdated or disconnected from reality. Leveraging technology is therefore both a necessity and an opportunity to create engaging, relevant, and impactful learning experiences.

Technology enables the development of interactive, user-friendly platforms where young people can learn financial concepts in engaging ways. For instance, apps can offer regular activities designed to make learning enjoyable by incorporating game-like features, such as point collection, badge rewards, or progress tracking on leaderboards.

Artificial intelligence can assess a learner's strengths, weaknesses, and

progress, tailoring educational content to their specific needs. Personalized quizzes, adaptive challenges, and on-demand feedback can help keep students engaged while ensuring they progress at their own pace. This individualized approach can break down the barriers that often discourage students from engaging with financial education—such as fear of failure or feelings of being overwhelmed.

Through technology, students can observe real-time market fluctuations, demystifying abstract financial concepts and making lessons timely and meaningful. By integrating APIs from financial institutions or simulated trading platforms, educators can provide



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Technology allows for the creation of interactive, user-friendly platforms that can teach financial concepts in engaging ways.

students with hands-on experience in understanding the forces that drive global economies.

With smartphones and tablets, financial education can reach learners anytime and anywhere. Short, focused modules, such as a parent-managed app for children that teaches budgeting, saving, and investing—enable children to gain real-world experience in a controlled environment.

Online forums, discussion boards, and collaborative projects allow students to learn from peers and instructors alike. Social media can also serve as a powerful tool for promoting financial education through webinars and other interactive sessions. Building online communities around personal finance helps normalize conversations about money among youth.

However, while technology holds great promise, reliable internet access, modern devices, and high-quality educational resources are not universally available. The internet is saturated with information, not all of it accurate or trustworthy. Young learners may struggle to distinguish between credible sources and misleading content. Therefore, financial education curricula must include critical thinking and media literacy

Educational activities have been organized in schools on financial management and savings, and banking services have been designed:

- savings checking account
- debit card
- mobile apps



These facilitate financial management through savings plans, budget monitoring, payment planning, and interest calculation.

skills to help students evaluate the reliability of online content.

Engagement with digital tools often requires the sharing of personal information. It is essential that young people learn about online privacy, cybersecurity, and the risks associated with sharing financial details. Educators and app developers must prioritize secure platforms and teach users best practices for online safety.

It is crucial to choose platforms and apps that use strong encryption to protect sensitive data. Youth should be encouraged to use unique, strong passwords and enable multi-factor authentication wherever possible. Devices must be regularly updated,

and young users must be educated on how to recognize phishing attacks, scams, and suspicious links.

THE ROLE OF BANKS IN FINANCIAL EDUCATION FOR YOUTH

Banks in Kosovo have played a significant role in promoting financial literacy. They have been actively engaged in raising awareness and educating youth through seminars, workshops, and webinars led by industry experts, covering various aspects of financial management. Educational activities in

schools have addressed topics such as the importance of managing finances and saving—like those organized by our Bank across different cities in Kosovo.

Banking services such as current accounts, savings accounts, debit cards, and mobile applications have been designed to facilitate financial management. These platforms also provide tools for setting up savings plans, monitoring personal budgets, creating debt payment plans, calculating interest on fixed-term deposits, and more. Efforts have also been made to promote sustainable investing by offering green loans accompanied by educational manuals that emphasize the importance of environmentally responsible investments and energy efficiency.

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It is essential that young people learn about online privacy, cybersecurity, and the risks associated with sharing financial details.

Educational videos promoting card usage and warning against financial fraud have helped increase awareness among youth. The implementation of transparent banking practices further supports the promotion of financial literacy. These initiatives reflect the commitment of banks and financial institutions in Kosovo to developing and supporting financial education for young people.



CHALLENGES IN FINANCIAL EDUCATION AND RECOMMENDATIONS

Despite the steps taken and the widespread use of technology, financial literacy among youth remains concerning. According to the latest report by the Organization for Economic Co-operation and Development (OECD, 2024), based on the 2022 PISA results, one in four or 26% of 15-year-old students globally did not demonstrate even basic financial skills.

This gap in financial knowledge is especially pronounced among young people from disadvantaged socioeconomic backgrounds. These students not only perform worse but also have fewer opportunities to learn about finance.

Therefore, governmental institutions should develop a comprehensive strategy to promote financial education and ensure equal access for all youth. Beyond individual benefits, sound financial knowledge leads to smarter financial decisions, contributing to a more stable and sustainable economy. At the same time, banks and financial institutions should continue to play an active role in financial education—leveraging their resources, expertise, and direct engagement with clients.

According to the latest report by the Organization for Economic Co-operation and Development (OECD, 2024) based on the 2022 PISA results, globally, a quarter or 26% of 15-year-old students did not demonstrate even a basic level of financial literacy.

Interview



Fortesa Manaj
HR Head of Unit
Ipkö Telecommunications



“Recruitment, promotion, and performance evaluation processes should be transparent, unbiased, and merit-based. Employees must feel safe to express their opinions without fear of judgment or repercussions. Regular feedback and active listening strengthen their sense of belonging.”

Attracting and retaining talent

How do you see the role of HR in building modern organizations?

In modern organizations, HR has evolved from an administrative function to a strategic one, directly influencing the long-term success of the company. HR's role includes designing and implementing strategies related to employees—from talent attraction and recruitment to development and retention, performance management, wellbeing, workplace safety and health, financial management of human resources, and fostering a healthy, results-oriented organizational culture.

Through this integrated approach, HR not only aligns employee potential with strategic objectives but also enables the organization to adapt to market changes. HR ensures that organizational strategies deliver concrete, sustainable, and measurable results, strengthening the company's competitive position.

What are the main challenges HR departments face today?

1. **Attracting and retaining talent:** A competitive labor market requires sustainable strategies for attracting high-quality candidates while developing and retaining them.
2. **Balancing digitalization and human touch:** Digital HR tools (AI, people analytics) improve efficiency, but HR must ensure decisions remain empathetic and human-centered.
3. **Upskilling & reskilling:** Rapid labor market changes make continuous employee development essential, preparing staff for future roles.

4. Diversity, equity, and inclusion (DEI):
Building an inclusive workplace is not just legal compliance—it drives innovation and performance. Practical implementation remains challenging.

5. Employee wellbeing and mental health:
HR must develop strategies that support wellbeing while maintaining productivity and engagement.

6. Compliance and ethics:
Rapid legal changes require HR to ensure fair, sustainable decisions that build trust.

7. Workplace safety:
HR ensures compliance with safety standards, minimizing workplace risks.

8. Employee engagement:
Creating a motivated, involved workforce aligned with organizational goals is a core HR challenge.

9. Performance evaluation:
Traditional evaluation systems can feel bureaucratic or unfair; modern approaches rely on measurable objectives (OKRs, KPIs), regular feedback, and constructive dialogue.

How can technology improve HR processes?

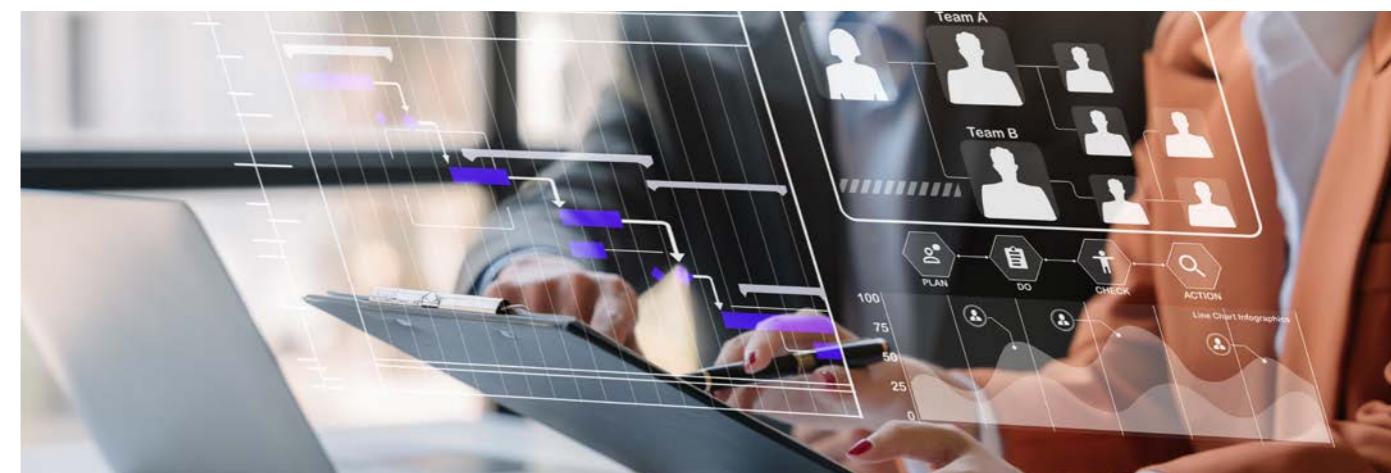
Technology has transformed HR from a support function into a catalyst for organizational innovation and sustainable growth. It automates routine processes, freeing HR to focus on strategic development. Access to accurate data and advanced analytics enables faster, fact-based decisions, while digital tools allow adaptation to new work models and dynamic market changes.



The role of HR includes designing and implementing strategies related to employees - from attracting and recruiting talent, developing and retaining them, performance management, well-being, safety and health at work, managing the financial aspect of human resources, as well as creating a healthy but also results-oriented organizational culture.

What is HR's role in promoting diversity and inclusion?

HR plays a critical role in fostering diversity and inclusion. Beyond legal compliance, HR develops policies and programs ensuring equal treatment and opportunities for all employees. Building an inclusive culture enhances innovation and organizational performance, strengthens employer branding, and supports talent attraction and retention. Recruitment, promotion, and performance evaluation processes must be transparent, merit-based, and bias-free. Employees should feel safe expressing their views, with regular feedback and active listening reinforcing belonging. Equal opportunities for training, career growth, and project participation ensure no one is overlooked.



How can organizations create a culture that attracts and retains top talent?

1. Employer branding:

A strong, positive company image attracts high-quality candidates.

2. Effective recruitment:

Hire candidates who fit both the role and organizational culture via:

- Clear job descriptions and transparent
- Professional selection processes.

3. Onboarding and integration:

Proper orientation helps new hires understand structure, expectations, and culture, increasing engagement and retention.

4. Skills assessment:

Regular evaluation identifies strengths and gaps, ensuring targeted development aligned with strategic goals.

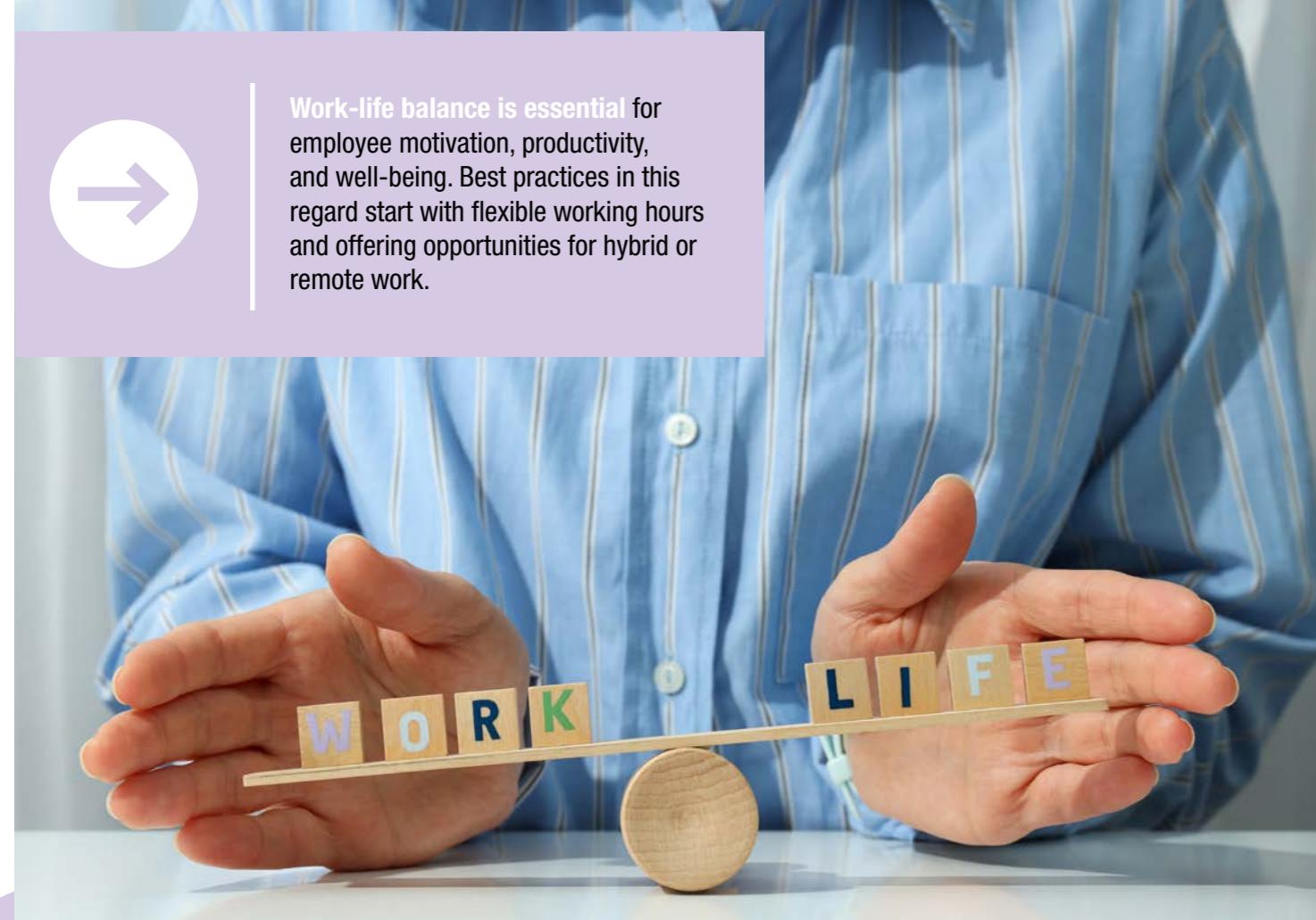
5. Training and development:

Employees benefit from:

- Training,
- Mentoring and coaching,
- Growth opportunities through projects, promotions, or role rotations.

6. Continuous growth cycle:

Recruitment, development, and training are ongoing processes, creating a sustainable system that nurtures talent while ensuring employees feel valued.



Best practices for balancing professional and personal life

Work-life balance is essential for motivation, productivity, and well-being. Best practices include flexible schedules, hybrid or remote work options, and wellness programs. Internal psychologists, stress management training, and sports activities support mental health and prevent burnout. Respecting legal requirements for

vacation, working hours, and break periods builds trust and ensures fairness. Combining flexibility, well-being initiatives, and legal compliance creates a sustainable, healthy, and attractive workplace for top talent.



Android POS Terminals

Android POS Terminals - the new reality where every terminal becomes part of your digital ecosystem. Imagine a POS terminal that is no longer just a silent device on the counter, but a smart business partner - open, flexible, and managed in real time, from anywhere.

Each terminal is:

- **Multi-App Ready** - run multiple applications and extend usage of the device
- **Always Connected** - real-time monitoring and instant remote actions
- **Customer-Centric** - every transaction becomes a new experience
- **Secure & Reliable** - faster response, quicker issue resolution, greater trust



From simple devices to smart partners:

- From simple communication to a digital ecosystem
- The future is already here - terminals are reshaping business, just like smartphones reshaped our lives
- Open to the world - third-party apps make the platform more flexible than ever
- From routine to experience - every transaction is an opportunity for insights
- From distance to proximity - support, security, and data delivered live
- From closed box to gateway to the future - countless new possibilities ahead
- From uncertainty to trusted confidence - faster reactions, reliable problem-solving

Why Choose Our Solution?

Our Android POS ecosystem is designed to help you maximize ROI, reduce costs, and unlock innovation. Just as smartphones changed the way we live, smart terminals are changing the way businesses grow. Built with cutting-edge technologies brings future today and ensures the answers for the coming challenges in the future.



↑ 27%



average 45%



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