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FACULTY OF ECONOMICS – MASTER STUDIES

FINANCIAL MARKETS AND BANKS

MASTER THESIS

**CREDIT POLICIES AND THEIR IMPACT ON ECONOMIC
DEVELOPMENT IN KOSOVO**

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ABSTRACT

This paper deals with the understanding and functioning of banks, paying attention to the development and types of banks. I have made detailed analysis of the most important banks type in the banking sector.

Special attention has been paid to the banking system in Kosovo, to the development of credit, the main indicators of credit policies, credit policies in Kosovo and their impact on economic development, respectively business development.

Based on the comparative method, I also made a comparison between Kosovo and Albania in terms of credit policies.

The main recommendations are:

1. The granting of credits from banks and financial institutions should be in order to realize concrete and easily realized ideas and projects.
2. It is recommended that banks and financial institutions in case of a credit claim should consider debt repayment because in such cases there may be problems with the repayment of credits from this category of clients.
3. It is recommended to banks to increase the credit period, because we are dissatisfied with all the creditors with the immediate start of the credit repayment.
4. Banks and financial institutions should consider interest rates because many of the respondents who are simultaneously lenders, have expressed dissatisfaction with the credit norms.
5. Financial institutions should consider increasing the quality of the services and the problems or challenges they have, in order to increase the number of credits.

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INTRODUCTION

I have made this work with a great dedication, paying particular attention to the banks and the role they have. Survey on banking and banking services has helped me greatly and I have already realized that this is extremely difficult, but it gives me an unstoppable work and a willingness and dedication to further deepen the knowledge in the banking field.

This paper examines the meaning and functioning of banks, where I have also paid attention to the development and types of banks. I have also dealt with the types of the most important banks in the banking sector.

I have paid special attention to the banking system in Kosovo, the development of credit, the main indicators of credit policies, credit policies in Kosovo and their impact on the economic development, respectively the development of businesses. I have also made a comparison between Kosovo and Albania in terms of credit policies.

To understand the problem of credit policy in the development of Kosovo, it was necessary to define and explain the main categories of banks and credits that are related to economic development.

In the banking system, the main role is in granting and obtaining credit, therefore the credit becomes of particular importance, where the rules are responsible for protection against the failures of the banking system. Banks need to manage their credit risk very carefully, as ineffective risk management can quickly lead to bank failure.

The subject of study in this topic is **credit policies and their impact on economic development in Kosovo.**

CONCLUSION

From the research done and the consultation with different literature, I have come to the conclusion of this topic how much the credit policies in economic development of Kosovo have affected.

There is no good opinion on the credit, but there should be no bad opinion about obtaining credit, but it is not good if the bank approves the credit that will not solve your problem and will be a very high payment to pay, it will deepen your debt and as a result your financial situation will worsen.

Creditors do not use credit from the creditor for the purpose they receive, but often the credit is not used for the intended destination and causes a problem in the repayment of the credit.

Banks and financial institutions in case of credit is required to take into account the debt repayment because in such credits we may also have problems with the return of those credits from these clients, which later a potential problem for banks.

Financial institutions do not offer the right quality of services, have different problems or challenges and do not work to resolve them. Among the problems are the number of credits and lots of credits, but there are also issues with marketing.

Banks have a short period of time to start credit repayment. Both respondents and other stakeholders have expressed this concern and have seen it as one of the main problems in obtaining a credit.

Banks and financial institutions apply high rates of interest because many of the respondents, who are simultaneously a lender, have expressed dissatisfaction with the rate of credit.