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FACULTY OF ECONOMICS MASTER STUDIES

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MASTER THESIS

TITLE OF THEME:

**“BANKING SYSTEM IN DEVELOPED COUNTRIES IN EUROPE AND
BANKING SYSTEM IN KOSOVO/ANALYSIS”**

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Abstract

Depth of crisis and dramatic tendencies in Kosovo has had influence in the monetary politics.

A brief introduction about the management of banks and their performances in Kosovo, we have done a research with a conclusion on how important they are, and how much value they have in the work market with companies.

Through this work, is reflected the definition of banks in Kosovo, advantages and disadvantages which businesses and population face with regards to banks and banking system in Kosovo.

We will show the way how banks act, what services they offer, how they were developed in Kosovo, how transparent they are regards to businesses and population in general etc. It should be noted that the banking system in Kosovo, even though it has had a permanent increase, still there's work to do in order to be in same steps with banks in Europe.

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CONCLUSION

This research was done on the banking system of Kosovo while being based on data of clients of banks and of the Central Bank of the Republic of Kosovo. Banking sector in Kosovo is considered to be one of the sectors in the economy of Kosovo. Even though the decrease of the interest norm would have two way influences in economy. The decrease of the interest norm would cause increase in the level of private investments which results in new work places and would also cause the increase of consumption by costumers, that would result in the increase of GDP in the economical development in general.

The banking authority and of payments in Kosovo is responsible for licensing banks.

In Kosovo operate 8 commercial banks and consist of 76.3% of total assets of the financial sector.

Banks in Kosovo develop their main activity through credit. The majority of credits is absorbed by enterprises of the trade sector 52.7%, industry sector 24.8% and the agriculture sector 3.5%. Meanwhile the sector of family economics 30.1%.

Banks in Kosovo have different stock structure. Six of them are banks with foreign capital and two of them with local capital. By comparing the differences between the banking system in Kosovo and that in Europe, many international reports evaluate the banking sector as powerful and stable faced to financial crisis in region and wider. Even though the banking system in Kosovo is stable and powerful, it still remains as a main obstacle of the Kosovan environment. Norms and low access in finances and small and medium businesses balk the development in the private sector. According to many studies and experts, Kosovo has high credit norms in region, and according to many respondents from medium and low enterprises, these interest norms are unaffordable.

An analysis of changes in competitive structures, finds out a more powerful competition in the last years of this period. In general, the European financial system has proofed an obvious expansion in the field of the banking system along with a continuing update and review of legal framework in order to provide solidarity and care in the banking system.

Therefore, as a conclusion, other elements such as: technological development, legislation of a special country, development scale, life standard where our banking system differs along the Europe countries. Lowest interest norms, encouragement of low and medium businesses etc, make the European banking system more advanced.