

4. PAYMENT SYSTEM DEVELOPMENTS IN 2011³⁶

REAL TIME GROSS SETTLEMENT SYSTEM - AIPS

In 2011 H1, a volume of 37.045 transactions were carried out via AIPS, with a total value of ALL 1.873 billion liquidity in circulation and an average value of ALL 50.5 million per transaction. Compared with the same period a year earlier, in 2011, the number of settled transactions appears to have increased by 3.9%, whereas the value of settled transactions has decreased by 12.4%. The average daily volume processed and settled via AIPS is around 292 transactions, with an average daily value of ALL 14.75 billion.

Table 9 Volume of transactions processed in AIPS

AIPS	2007	2008	2009	2010	2011 H1
Number of transactions	45,480	56,717	55,701	80,356	37,045
Value of transactions (in billions of ALL)	3,745	5,146	4,718	4,437	1,873
Average value per transaction (in millions of ALL)	82	91	85	55	50.5

Source: Bank of Albania.

As at 2011 H1, there were processed 1,376 transactions more via the AIPS, or up 4% compared with the same period a year earlier. The upward volume over the past 2-3 years attributes to the automation of Ministry of Finance's treasury payments in March 2010, which account for a material share in terms of the number and value to total customer payments processed via the AIPS.

Worth noting is that a limited number of banks has the major share in total transactions carried out via the AIPS, which is an indicator of the concentration level.

AUTOMATED CLEARING HOUSE SYSTEM - AECH

The AECH processes and clears customer payments with a value of below ALL 1.5 million. As at 2011 H1, a total of 183,342 payment orders were cleared in the AIPS, with an average value settled per transaction of ALL 156 thousand. On average, 1,443 payments were processed daily in the AECH, with an average daily value of ALL 225 million.

Table 10 Volume of transactions processed in AECH

AECH	2007	2008	2009	2010	2011 H1
Number of transactions	71,857	113,682	102,304	332,777	183,342
Value of transactions (in billions of ALL)	12.01	17.61	15.46	43.98	28.62
Average value per transaction (in millions of ALL)	0.17	0.15	0.15	0.13	0.16

Source: Bank of Albania.

³⁶ This section has been based on processed data and materials prepared by the Payment Systems Department, Bank of Albania.

PAYMENT INSTRUMENTS

At the end of June 2011, the number of banks licensed as card issuers, providing the service of cash withdrawal from ATM machines, was 14. Out of these card-issuing banks, only 8 banks (from 7 at end-2010) are also licensed to accept cards, by offering the service of card payment acceptance at point-of-sale terminals (POS) systems located in shops, restaurants, hotels or trade centres. At end-2011 H1, the number of ATMs and POS terminals increased by 2.9% and 1.1%, respectively, compared to end-2010.

Table 11 Number of ATMs and POS terminals as at end of respective periods

Number of ATMs/POS terminals	2006	2007	2008	2009	2010	2011 H1
Number of ATMs	309	433	642	741	761	783
Number of POS terminals	1234	1832	2953	4,370	4,680	4.729

Source: Bank of Albania.

During January to June 2011, a total of around 5.6 million transactions amounting to ALL 56 billion were processed via cards (ATMs and POS terminals). Out of total transactions, around 96% are cash withdrawals from ATMs and only 4% are customer payments made via cards at POS terminals, thus providing evidence for the high use of cash in the economy.

Table 12 Number and type of cards

Number of cards	2008	2009	2010	2011 H1
Type of cards:	512,232	596,985	694,848	709,100
1- Debit cards	482,072	543,141	667,548	680,465
2- Credit cards	15,931	23,844	27,300	28,635
Total number of cards in circulation	498,003	566,985	694,848	712,575

Source: Bank of Albania.

Banks' reporting according to the methodology "On reporting the payment instruments".

Based on banks' reports, debit cards represent 96% of the total number of cards in circulation, while by brand or type of card-processing operators, VISA cards share the largest percentage (about 83%) to the total, followed by MasterCard. Maestro and American Express account for a relatively small share. Only two banks issue local cards, which account for only 1.6% of total cards in circulation.

Home Banking is another banking service being ever-increasingly used, allowing customers to access their bank accounts in distance, through an internet line, telephone line or software that the banks make available to their customers. This service was first provided in Albania in 2005. In 2011 H1, home banking was provided by 11 banks. As at 2011 H1, around 86 thousand home banking electronic transactions were reported for the entire banking system, with a total value of ALL 46.16 billion. In 2011 H1, home banking electronic transactions increased by 11% in number and 13% in value.