Early Warning System

EBRD-56564

FIF - PRS - Union Bank Albania (EFSD+2)

Quick Facts

Countries	Albania
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Voting Date	2025-10-28
Borrower	Union Bank SHA
Sectors	Finance, Industry and Trade
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 29.14 million
Project Cost (USD)	$ 58.29 million

Project Description

According to the Bank’s website, the project consists of a Portfolio Risk Sharing (PRS) in the form of an unfunded portfolio guarantee of up to EUR25 million provided by the Bank in favour of Union Bank (UB). The guarantee will cover up to 50 per cent of the credit risk on a pro rata basis on the newly-generated SME+ loan portfolio of up to EUR50 million originated by UB.

The product aims to release UB's risk-taking capacity to boost on-lending to SME+, addressing an SME financing gap in the market.

Early Warning System Project Analysis

Categorised FI (ESP 2024). Union Bank (UB) is an existing client of the EBRD. The subprojects are expected to carry low environmental and social (E&S) risk. The main E&S risks relate to the client's capacity to implement its Environmental and Social Management System (ESMS), potential impacts arising from the financed subloans, and related supply chain, labour, and occupational health and safety issues.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

A Portfolio Risk Sharing (PRS) in the form of an unfunded portfolio guarantee of up to EUR25 million. The guarantee will cover up to 50 per cent of the credit risk on a pro rata basis on the newly-generated SME+ loan portfolio of up to EUR50 million originated by the client.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Union Bank Albania (Financial Intermediary)

Private Actors Description

Union Bank (UB) is a mid-size bank in Albania, mainly focused on SME and retail lending. As of end-2Q2025, UB was the 8th largest bank in the country (out of 11) in terms of both assets and loan portfolio, with 5.2% and 6.3% market share, respectively.

Contact Information

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form: https://www.ebrd.com/eform/information-request

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at: http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html

Bank Documents

- PSD Translation (Albanian)