

Gent Sejko: National initiative for financing micro, small, and medium-sized enterprises

Address by Mr Gent Sejko, Governor of the Bank of Albania, at the signing ceremony of the Memorandum of Understanding on the "National initiative for financing micro, small, and medium-sized enterprises", Tirana, 13 May 2026.

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Your Excellency Prime Minister,

Honourable Ministers,

Dear representatives of the banking sector and media,

It is a great pleasure to join you today at the signing ceremony of this Memorandum of Understanding, under the framework of the 'National Initiative for Financing Micro, Small and Medium-Sized Enterprises and Farmers.' This Memorandum aims to promote the exchange of information and ideas between public institutions and the banking sector, creating a solid foundation for designing effective instruments to increase access to credit for these vital segments of the Albanian economy.

At the outset of my remarks, I would like to highlight the considerable progress made by the Albanian banking system in expanding lending. To put this into perspective: the credit portfolio to the private sector reached ALL 907 billion as of March 2026, up from ALL 575 billion just five years ago. Over the past two decades, credit to the private sector has grown at an average annual rate of around 15%, equivalent to around ALL 107 billion per year. In 2025 alone, new credit granted totalled ALL 423 billion. Today, bank credit stands as one of the largest drivers of liquidity in our economy and continues to be, by far, the primary source of financing for Albanian businesses and households.

As I have already said, these developments display a quantitative and qualitative improvement of credit supply. Over time, the banking system has transformed into an increasingly reliable and trusted partner for the private sector. It provides not only secure instruments for safeguarding household savings, but also modern payment solutions and an increasingly diversified range of credit products. This progress reflects the efforts of the Bank of Albania in preserving the country's monetary and financial stability, the benefits of the substantial structural reforms undertaken over recent years, and the commitment of the banking industry itself to enhancing financial intermediation.

Nevertheless, the positive performance of lending over this period includes significant differences in growth across businesses, depending on their size and sector where they conduct their business.

In particular, small, and medium-sized enterprises-the backbone of the Albanian economy, responsible for most of the value added and employment-still face relatively limited access to credit. For this reason, expanding credit to this segment should be considered as an important national priority. Greater access to financing for SMEs

would unlock faster growth in the country's productive capacity, boost overall economic productivity, and contribute to the broader well-being of society.

In this context, for more than a year, the Bank of Albania has approved and implemented a Financing Programme for Small and Medium-Sized Enterprises, aimed at reducing credit costs for this vital segment of the Albanian economy. Similarly, the Albanian Government has introduced a Sovereign Guarantee Scheme to mitigate credit risk for operators in the agricultural sector. We believe that both instruments provide a solid foundation for addressing this challenge.

The progress achieved over the past two years offers an encouraging basis for further development. However, I would like to take this opportunity to appeal to the banking industry to pay greater attention to the SME sector, particularly the agricultural segment. This sector holds significant potential for expanding the reach of the banking industry, while contributing to the long-term development of the country, all without compromising prudential standards. I would also like to encourage small and medium-sized enterprises to engage more closely with banks, viewing them not only as a stable and low-cost source of financing, but also as valuable financial advisors and trusted partners in development.

In conclusion, as I greet all participants at this table, I wish to express my firm conviction that this Memorandum of Understanding will make a meaningful contribution to the design of effective policies, supporting the sustainable and long-term development of our country.

Thank You!