

EPCGF



STICHTING EUROPEAN PALESTINIAN
CREDIT GUARANTEE FOUNDATION

Quarterly Newsletter

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Letter from the Managing Director

EPCGF's results this quarter reflect another period of successful cooperation with all our partners. Although we are not completely back to normal life yet and still foresee some headwinds for maybe a few months, the future is now more predictable. This means EPCGF will take more confident steps to maintain its focus and continue to offer its products and services to our partner financial institutions to supplement their penetration in the MSME marketplace, ease access to finance and help to stimulate the economy.

In this Newsletter, we are pleased to present the activities of EPCGF as in Q1 2022. EPCGF issued 149 SME loan guarantees for total amount of USD 15.6 million as of 31 March 2022. This represents a significant growth of around 161% in terms of number and 226% in terms of volume compared to the same reporting period of last year. Considerable improvement in terms of the non-performing loans where it stands at 3.69% as of 31 March 2022 compared to 7.65% as in 31 March 2021.

During this reporting period, 48 SME loan guarantees were issued under the Estidama SME initiative for an amount of USD 4 million. Since inception of the program, EPCGF issued total loan guarantees of 220 worth of around USD 18 million as well as a guarantee commitment of 1,131 under the micro-loan's portfolio guarantee for a total amount of USD 10.6 million.

The plan is to continue our growth initiatives with new programs in 2022 and this would never happen without the support of all our partners. Looking forward to working with all of you to make this another successful year.

Managing Director

Raed Kafity

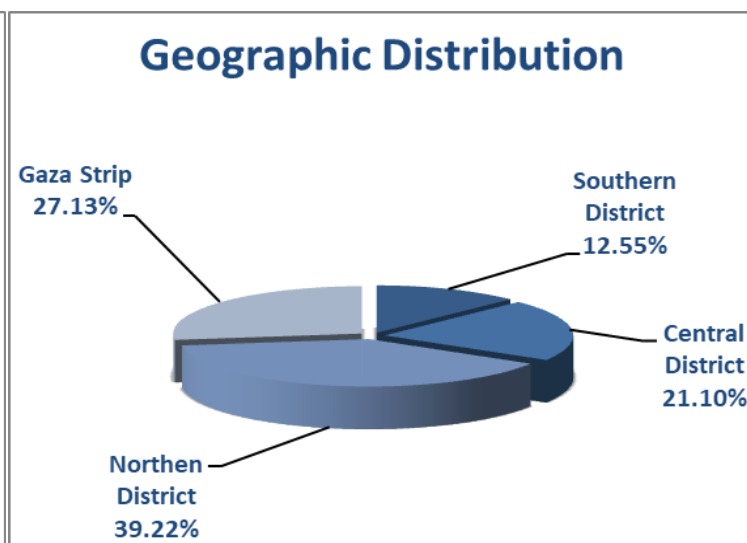
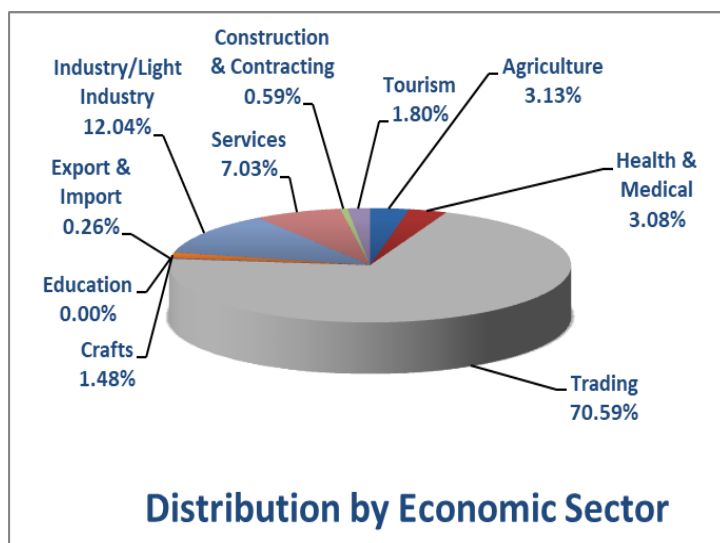
SECTOR DISTRIBUTION

Economic Sector	Amount USD
Agriculture	609,982
Health & Medical	583,600
Trading	11,172,750
Export & Import	75,000
Education	0
Crafts	235,560
Industry/Light Industry	1,863,336
Services	1,072,802
Construction & contracting	0
Tourism	50,000
TOTAL	15,663,029

GEOGRAPHICAL DISTRIBUTION

Region	Amount USD	No. of Loans
Southern Districts	1,965,607	14
Central Districts	3,305,524	35
Northern Districts	6,143,288	65
Gaza Strip	4,248,610	35
TOTAL	15,663,029	149

South: Hebron, Bethlehem
Central: Ramallah, Bethany, Al Ram, East Jericho, East Jerusalem
North: Nablus, Jenin, Tulkarem, Qalqelia, Tubas, Salfeat

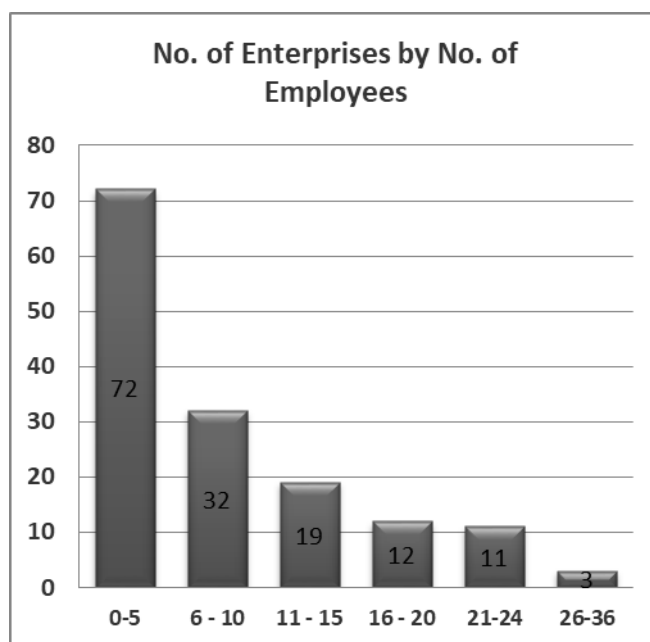


MARKET PENETRATION

Code	Client's Type	Number
001	New Clients	58
002	Existing Clients with No Credit	21
003	Existing Borrowers with No Credit	12
004	Existing Borrowers	44
005	Borrowers with Arrears	2
006	New Client for Bank (with Credit History)	10
007	Existing Client (Credit Relationship with EPCGF)	2
Total		149

SME PROFILE

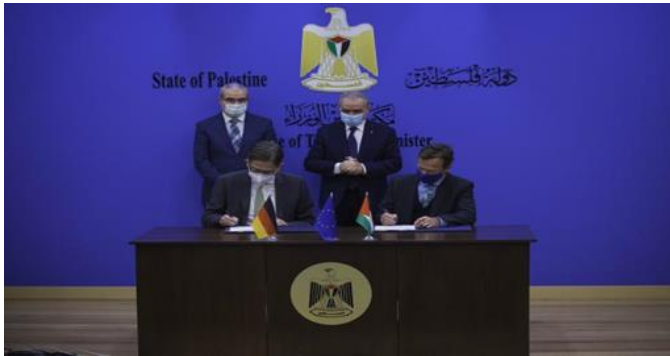
No. of Employees	No. of Enterprises
1-5	72
6-10	32
11-15	19
16-20	12
21-25	11
26-36	3
TOTAL	149



News and Activities

On the margins of the 3rd meeting of the EU-Palestine Investment Platform, KfW and the European Union, signed a EURO 10 million to support the EPCGF in extending loan guarantees supplemented with technical assistance to its partner banks and MFIs. The signatures took place at the Palestinian Prime Minister's Office in Ramallah on 22 January 2022.

The mobilized financing will help the recovery of businesses hard-hit by the COVID-19 pandemic, broadening access to finance for MSMEs operating in areas as tourism, hospitality and agriculture. Specific amounts of financing will be made available to support underserved geographical regions, including Gaza, East Jerusalem and the Area C in the West Bank. The financing package will be channeled through tailored programs with certain credit conditions to the private sector through the partner banks and MFIs in Palestine. Technical assistance is a key pillar in this initiative to also boost the capacity and resources of the financial institutions and final beneficiaries.



A KfW mission was conducted from 16th March 2022 until 22nd March 2022, that aims to discuss the progress of exiting funded projects and future plans for other potential initiatives. In addition to meetings with the stakeholders.

