

EPCCGF



STICHTING EUROPEAN PALESTINIAN
CREDIT GUARANTEE FOUNDATION

Quarterly Newsletter

September 2022

Issue No.59

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Letter from the Managing Director

Dear Partners,

It is my great honor and privilege to send my first newsletter after assuming my role as the Managing Director of the European Palestinian Credit Guarantee Foundation (EPCGF). I am excited and do look forward to working with you and all our partner FIs in the coming future to build on past successes and scale new heights for the benefit of the industry and the Palestinian Economy at large.

Allow me to reflect on EPCGF's activities in 3Q 2022. EPCGF issued 149 SME loan guarantees for total amount of USD 16,067,177 million, with a substantial growth of around 62% in terms of amount and 30% in terms of volume compared to the same reporting period of last year. Significant improvement in terms of the non-performing loans has also been witnessed. It stands at 2.73% as of 30 September 2022 compared to 6.70% as in 30 September 2021.

In addition, 24 SME loan guarantees were issued under the Estidama SME program for an amount of USD 2.19 million during the quarter. Correspondingly, and since the beginning of the program, EPCGF issued accumulated loan guarantees of 291 worth of around USD 24.7 million in addition to a loan guarantee commitment of 1,461 under the micro-loan's portfolio guarantee for a total amount of USD 14.65 million.

I am also pleased to announce that we are about to launch a new initiative/ mandate in partnership with the EU. Besides our original offering, this new initiative is designed to empower our partner FIs to cater for an expanded target group in East Jerusalem, Gaza and Area C to facilitate even more the flow of funds towards these underrepresented sectors/ markets. This is on top of a dedicated TA/ diploma program that aims to train and equip our partner's human capital with the necessary understanding of the SME sector, credit and legal framework(s), variety of topics that are key to understanding how SMEs operate, successful sourcing and analysis of loan opportunities, and making decisions of value to expand the SME business and identify quality opportunities.

EPCGF takes great pride in its partnership with you. You are such an active and dynamic sector whose role is pivotal in the financial inclusion and mobilizing of funds towards productive sectors of value. This is where our roles overlap and our contribution is felt most. We would like to thank you all for your continued motivation, support and commitment over the past period and do look forward to working with each and every one of you over the coming period.

Sincerely,

Hussein Habbab

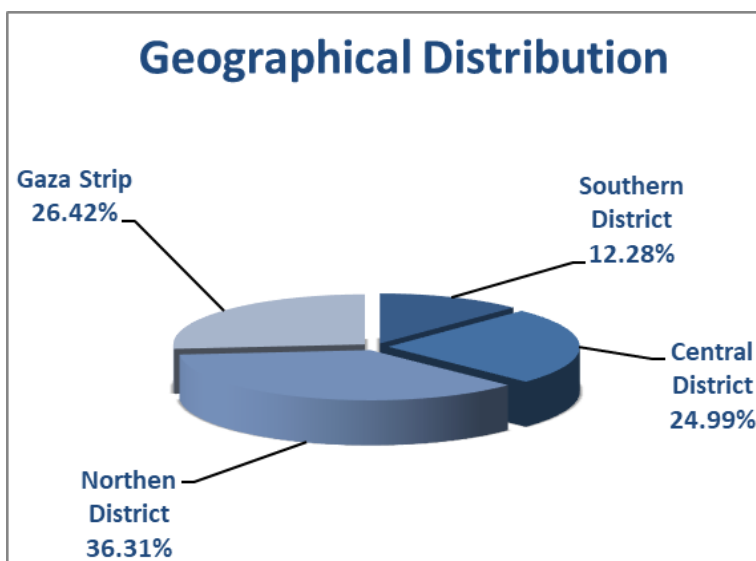
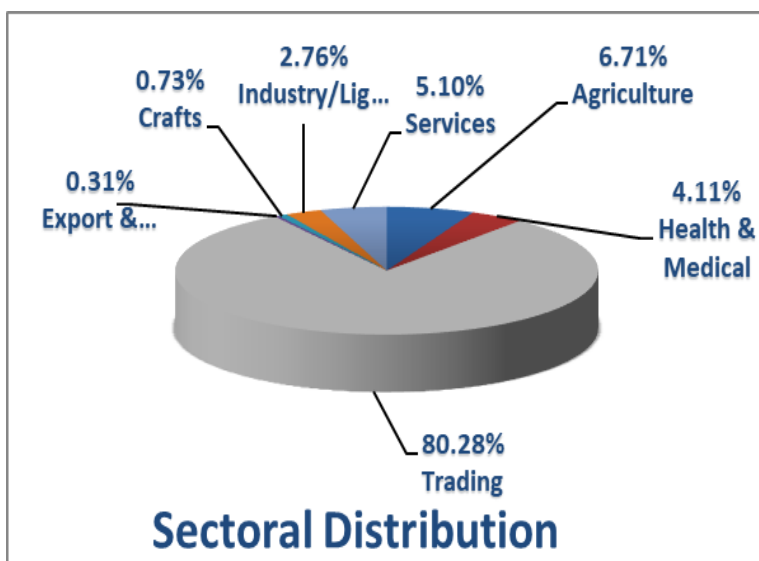
SECTORAL DISTRIBUTION

Economic Sector	Amount USD
Agriculture	1,078,181
Health & Medical	660,454
Trading	12,898,596
Export & Import	50,000
Crafts	117,058
Industry/Light	443,000
Industry	
Services	819,888
TOTAL	16,067,177

GEOGRAPHICAL DISTRIBUTION

Region	Amount USD	No. of Loans
Southern Districts	1,973,695	15
Central Districts	4,015,513	37
Northern Districts	5,833,526	62
Gaza Strip	4,244,443	35
TOTAL	16,067,177	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	34
002	Existing Clients with No Credit	25
003	Existing Borrowers with No Credit	8
004	Existing Borrowers	62
005	Borrowers with Arrears	0
006	New Client for Bank (with Credit History)	13
007	Existing Client (Credit Relationship with EPCGF)	7
Total		149

SME PROFILE

No. of Employees	No. of Enterprises
0-5	76
6-10	41
11-15	17
16-20	10
21-25	5
TOTAL	149

