

EPCCGF



STICHTING EUROPEAN PALESTINIAN
CREDIT GUARANTEE FOUNDATION

Quarterly Newsletter

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Letter from the Managing Director

What a year it's been! I believe we can all agree that 2020 will go down in history as a year to remember. With no doubt, it's been a painful year that's changed how we live and do our business due to lockdowns and restriction on movements. When the pandemic erupted, we, at EPCGF, took immediate steps to ensure operations continuity and develop new products tailored to tackle the lack of liquidity in the marketplace, and every day we are working constantly to satisfy the needs of the MSME market. We have worked with our partner financial institutions, PMA, KfW and the EU to develop and come up with new initiatives in response to the pandemic. We will spare no expense or effort to continue our collaboration to promote solutions to overcome the MSME regular hurdles and other challenges that we face.

Under Estidama program, the Foundation has had the opportunity to encourage our partner banks to extend loans during the health crisis and target wide range of segments. As an agile Foundation, EPCGF will continue to explore new opportunities for meeting the MSME market demand and adjust its business model, if and when needed.

In this Newsletter, we are delighted to present the activities of EPCGF achieved in Q4. EPCGF has issued 278 SME loan guarantees for a total loan amount of USD 23.25 million as of 31 December, 2020. Out of which, 38 SME loan guarantees for an amount of USD 4 million have been approved under Estidama program. Compared to the same reporting period of 2019 the total number of loans were less by 12% and the volume by only 4%. The NPL slightly improved by 0.14% compared to Q4, 2019.

Technical Assistance (TA) component and its two-year plan is currently being reviewed internally and in close cooperation with the financial partners in order to agree on the most suitable capacity building programs that will match the PFI needs and serve the needs of the MSME sector as well. This revised TA plan will come into effect as soon as it is approved by our donor and partner, KfW. During Q4, 2020 EPCGF has kicked-off one of its big TA projects with one of MFI partners.

We see a light at the end of the tunnel, which will hopefully bring the pandemic to its end soon and we are looking forward to 2021 with bigger hopes, ambitions and business goals. On behalf of everyone at EPCGF, we are incredibly thankful to all our financial partners, PMA, KfW and the EU for their confidence in EPCGF. EPCGF is also proud to play a critical role while partnering with you for supporting the MSME sector in our country, Palestine.

Managing Director

Raed Kafity

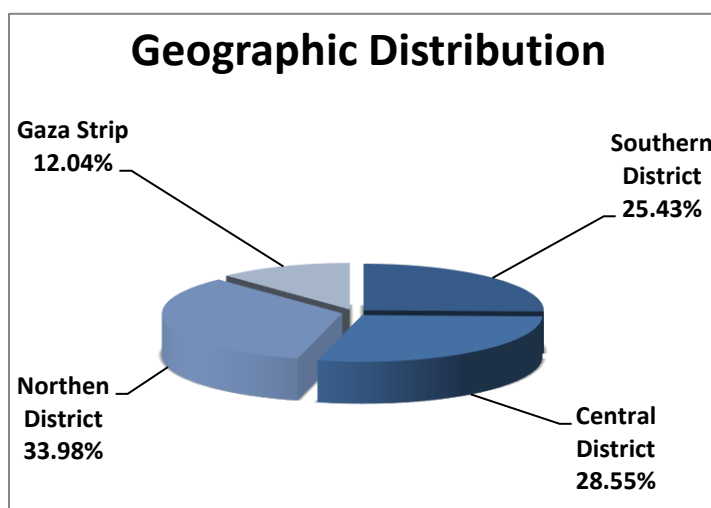
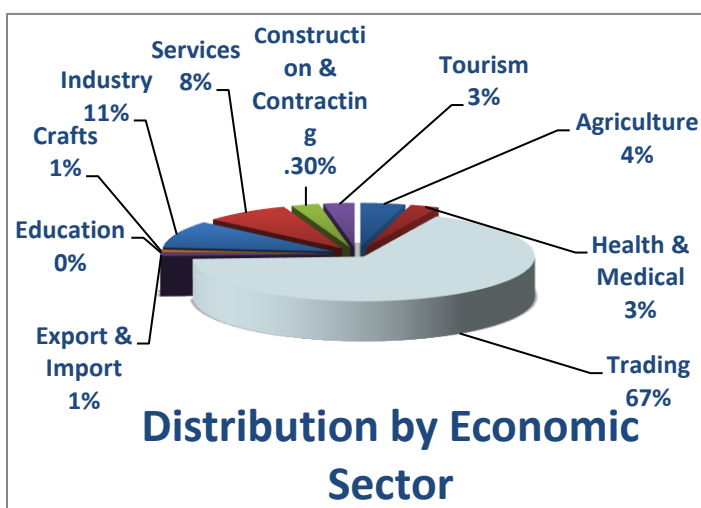
SECTOR DISTRIBUTION

Economic Sector	Amount USD
Agriculture	986,505
Health & Medical	641,940
Trading	15,617,979
Export & Import	303,810
Education	0
Crafts	216,000
Industry/Light Industry	2,308,648
Services	1,878,419
Construction & Contracting	612,127
Tourism	685,000
TOTAL	23,250,428

GEOGRAPHICAL DISTRIBUTION

Region	Amount USD	No. of Loans
Southern Districts	5,912,095	61
Central Districts	6,636,977	76
Northern Districts	7,901,092	105
Gaza Strip	2,800,263	36
TOTAL	23,250,427	278

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



MARKET PENETRATION

Client's Type at Banks

Code	Client's Type	Number
001	New Clients	62
002	Existing Clients with No Credit	37
003	Existing Borrowers with No Credit	20
004	Existing Borrowers	124
005	Borrowers with Arrears	1
006	New Client for Bank (with Credit History)	24
007	Existing Client (Credit Relationship with EPCGF)	10
Total		278

SME PROFILE

No. of Employees	No. of Enterprises
1-5	133
6-10	80
11-15	25
16-20	17
21-25	23
TOTAL	278

