

EPCCGF



STICHTING EUROPEAN PALESTINIAN
CREDIT GUARANTEE FOUNDATION

Quarterly Newsletter

December 2022

Issue No.60

info@cgf-palestine.com

Inside this Issue:	Page
Letter from the Managing Director	3
Figures	
Sectoral Distribution	4
Geographical Distribution	4
Market Penetration	5
SME Profile	5

Letter from the Managing Director

Dear Partners,

More than a month passed since we all celebrated the new year, 2023. With this year, we usher in new beginnings, a time to start with new hopes, and determination to achieve our goals. Despite the challenges that lie ahead, this is a fresh start and an exciting time to pursue what we have initiated together over the past period.

On behalf of EPCGF, I am writing to express my gratitude for our partnership over the past year and reflect on our achievements together. I am proud to say that our collaboration has been instrumental in supporting the growth and success of many micro, small and medium enterprises in our communities. Thanks to our joint efforts, numerous businesses have been able to access the financing they need to initiate and expand their businesses resulting in further sustainability, creating more jobs and driving economic growth.

In follow-up to the last Newsletter, and as you all know, we have in fact launched the new initiative/ mandate in partnership with the EU with our partner FIs. This offers a higher risk coverage intended for an expanded, highly impacted target group(s) in the areas of Jerusalem, Area C and Gaza with an overall lower fee. Alongside our original services/ offerings, this brings with it significant value to FIs and beneficiaries alike as to creating new business opportunities, improved financial and social inclusion, and diversification of loan portfolio(s).

EPCGF's activities for the year ending 2022 grew significantly as the total number and value of guaranteed loans (SMEs and Micro) stood at 1,562 and USD 44,233,999 respectively compared to 1,263 and USD 27,826,422 for the year 2021 with a sustained growth of 24% by number and 59% by volume. The collection(s) efforts have also improved in 2022 which reflected positively on the non-performing loans standing at 3.03% compared to 5.7% for the year 2021.

Also, the approved SME loans for the year 2022 have grown considerably as the total number stood at 600 loans with a total guaranteed amount of USD 38,652,525 for 2022 compared to 411 loans and USD 22,218,336 in 2021. This represents an increase of 46% by number and 74% in terms of amount compared to the same period last year. The non-performing loans improved significantly for SMEs standing at 2.72% as of the end of 2022 compared to 4.20 % as of the same period last year.

In addition, and under the Estidama program, the amount of USD 12,999,878 was guaranteed during the year 2022 compared to USD 12,456,153 in 2021 with a realized growth of 4.4% noting that the aggregate SME loans guaranteed since the beginning of the program reached 312 loans worth USD 18,516,268 in addition to 1474 for micro-loans with a total amount of USD 9,653,662.

As we look ahead, I believe there are numerous opportunities for us to expand and strengthen our partnership. Whether through crafting new product offerings, designated workshops or the launching of the robust diploma training program dedicated to create a comprehensive understanding of the ever-changing MSME banking landscape, I am confident that we can take our partnership to the next level.

Once again, thank you for your dedication to our shared mission and your continued support. I look forward to continuing our work together this year and beyond.

Sincerely,
Hussein Habbab

SECTORAL DISTRIBUTION

GEOGRAPHICAL DISTRIBUTION

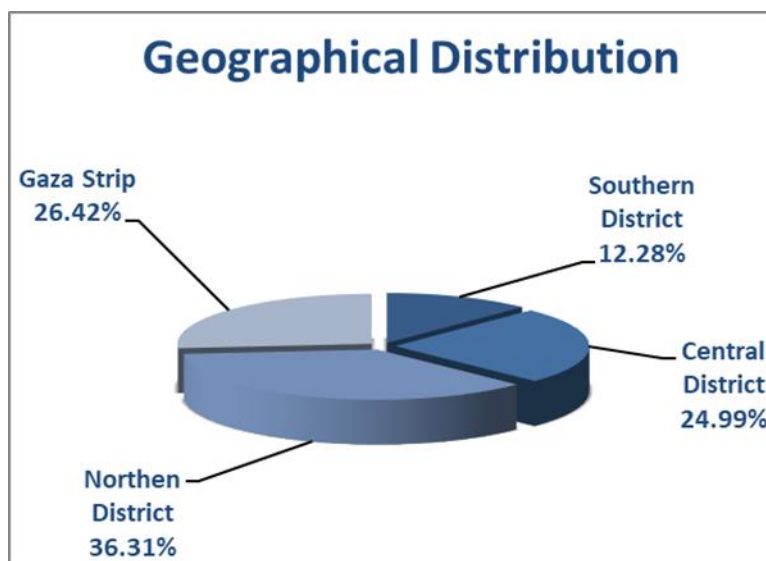
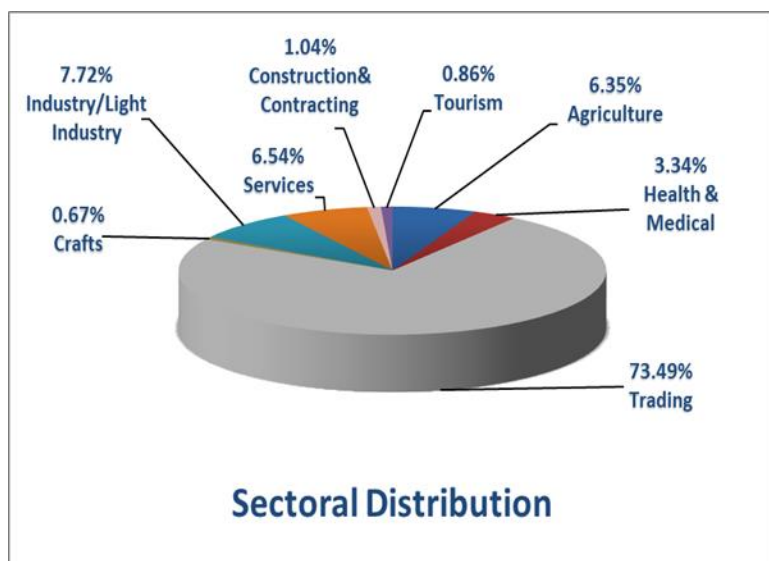
Economic Sector	Amount USD
Agriculture	3,953,623
Health & Medical	2,077,759
Trading	45,770,649
Crafts	415,049
Industry/Light Industry	4,805,458
Services	4,072,488
Construction & Contracting	649,484
Tourism	538,000
TOTAL	62,282,510

Region	Amount USD	No. of Loans
Southern Districts	9,706,286	73
Central Districts	14,384,213	144
Northern Districts	23,955,264	261
Gaza Strip	14,236,747	122
TOTAL	62,282,510	600

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	186
002	Existing Clients with No Credit	92
003	Existing Borrowers with No Credit	48
004	Existing Borrowers	207
005	Borrowers with Arrears	3
006	New Client for Bank (with Credit History)	44
007	Existing Client (Credit Relationship with EPCGF)	20
Total		600

SME PROFILE

No. of Employees	No. of Enterprises
0-5	324
6-10	137
11-15	63
16-20	39
21-25	37
TOTAL	600

