

SOCIAL FUND FOR DEVELOPMENT  
YEMEN LOAN GUARANTEE



Newsletter  
Jan - March 2022

## Executive summary:

In commitment from Yemen Loan Guarantee Program (YLG) to achieve its mission as a non-profit guarantee provider that supports the SMEs sector in Yemen. YLG provides a partial guarantee on loans made by partner financial institutions (PFIs) to increase the facilitation of credit to enterprise owners for growth and expansion.

## Partnerships

YLG worked closely and intensively with partnerships that play an important role in the microfinance industry including MFIs and commercial banks. YLG works with 11 PFIs in order to facilitate financial access for those who can't provide sufficient guarantees.

### 1. Yemen Commercial Bank (YCB)

Due to our mission of expansion and achieve our vision to improve financial inclusion. YLG is in the process of finalizing a new partnership with the most important commercial banks operating in yemen.

### 2. New Partnerships

In order to expand our operation,there are two new partnerships are looming. YLG is on its way to add new partnerships with Themar Foundation and Tawasol Microfinance program.we are in the process of negotiating and briefing the program's effect on the microfinance industry.





## MIS and digitalization

Individual model – Guarantee applications submitted through the API (technical approach that linked between D systems) in order to accelerate and facilitate the guarantee process.

Installments report – YLG MIS is able to withdraw the monthly installments report at the end of every month.

Issuing guarantees – It's Done by accessing NMF into YLG MIS to confirm the approved guarantee application details.

Murabaha Contracts – In purpose of developing the API linking between YLG and NMF system.

Murabaha contracts will be directly attached to YLG MIS, or it can be withdrawn from their MIS.

## Projects:

### portfolio model

YLG is has signed the portfolio agreement with 3 financial institutions (TMB - ALKURAIMI Bank- ALAmal Bank).

- The process of portfolio model done by receiving the guarantee applications after the PFI finances them. Number of guaranteed clients at portfolio model is 150.
- The portfolio model is specified to serve the food security sectors.
- Each month the Guarantee portfolio team conducting a field visit to PFLs to review sample files of the financed clients.

### VOLIP

- YLG is working with 5 partner financial institutions on VOLIP clients (NMF -AZAL Microfinance program- Etihad Microfinance program - Nama`a Microfinance foundation).
- The total number of guaranteed client = 62 (32 female \_23 male).

## Workshops

The Guarantee team had conducted an introductory workshop for a new partner (Nama'a Microfinance foundation) and the new staff of the previous partner (Alkuraimi Bank).

The purpose of the workshop is to give an introduction for the program's procedures, policies, and the criteria of accepting guarantee applications.





## Default Clients Application

The guarantee team have received 5 defaulted clients from Alamal bank to compensate them and fulfill the programs obligation into his partners. So, according to the program's procedures to compensate the defaulted clients, the Guarantee department contracted with a consultant to conduct a field verification for the defaulted clients.



### “ Products and Services implemented by YLG ”

Product	Coverage	Fee percentage	Average Loan + Murabaha Amount	Sector	Description Sector
Basic Product	50 – 70%	%1	100.000 -15,000,000 YER	Agriculture-Commercial-Industrial-Service-Startups	
Youth Empowerment Product	80%	%1	100.000 -5,000,000 YER	Agro-Commercial-Industrial-Service	This product targets young entrepreneurs, males and females, from the age groups of (18 – 35) for all sectors and regions
Women Empowerment Product	80%	%1	100.000 -1,000,000 YER	Agro-Commercial-Industrial-Service	This product targets entrepreneur women from all ages, regions, and sectors.
Geo-Spread Product	70%	%1	100.000 -2,000,000 YER	Agro-Commercial-Industrial-Service	This product targets the branches of small and microfinance institutions that have 300 loans or less in one year for the last two years, in addition to the branches that face difficulty in issuing loans
VOLIP Product	100%	-	100.000 -1,200,000 YER	Entrepreneurs and project owners, males and females from all sectors	The program provides capacity building and institutional support during the first three months of the loan life

## Summary Portfolio For Q1 2022 Per YLG Products:

Summary Portfolio For Q1 2022 Per YLG Product												
	AMAL AGRO. PORTFOLIO	BASIC	GEO-SPREAD	KURAIMI FOOD PORTFOLIO	MUSANDAH	TADHAMON AGRO. PORTFOLIO	VOLIP - EDUCATION	VOLIP - SMED	VOLIP PRODUCT	WOMEN EMPOWERMENT	YOUTH EMPOWERMENT	Total
Received	15	148		57	2	51	46	17			52	388
Approved		143			2		46	16			51	258
Issued	15	168	1	43		45	21	7			74	374
Rejected		1							33		62	212
>120		117									161,884,705.00 YER	1,358,433,809.20 YER
Total Amount of Loan (Principle + Murabaha)	77,399,750.00 YER	859,668,690.20 YER	874,578.00 YER	135,858,540.00 YER		90,797,546.00 YER	24,500,000.00 YER	7,450,000.00 YER			129,507,764.00 YER	903,679,073.79 YER
Value of Guarantees Issued	54,179,825.00 YER	528,770,019.99 YER	612,204.60 YER	95,100,978.00 YER		63,558,282.20 YER	24,500,000.00 YER	7,450,000.00 YER			392,649,691.55 YER	2,987,045,981.10 YER
Outstanding Value of Guarantees Issued	64,365,413.00 YER	2,189,848,216.75 YER	603,069.57 YER	151,972,835.00 YER	29,706,592.35 YER	67,738,467.30 YER	64,071,900.32 YER	19,189,174.01 YER	6,729,633.16 YER	170,988.08 YER	326.00 YER	1,722.00 YER
Number of Outstanding Guarantees Issued	21.00 YER	1,029.00 YER	2.00 YER	72.00 YER	21.00 YER	46.00 YER	61.00 YER	20.00 YER	123.00 YER	1.00 YER	326.00 YER	1,722.00 YER

## Summary Portfolio For Q1 2022 Per YLG Products:

Summary Portfolio For Q1 2022 Per YLG Product												
	AMAL AGRO. PORTFOLIO	BASIC	GEO-SPREAD	KURAIMI FOOD PORTFOLIO	MUSANDAH	TADHAMON AGRO. PORTFOLIO	VOLIP - EDUCATION	VOLIP - SMED	VOLIP PRODUCT	WOMEN EMPOWERMENT	YOUTH EMPOWERMENT	Total
Received	15	148		57	2	51	46	17			52	388
Approved		143			2		46	16			51	258
Issued	15	168	1	43		45	21	7			74	374
Rejected		1							33		62	212
>120		117									161,884,705.00 YER	1,358,433,809.20 YER
Total Amount of Loan (Principle + Murabaha)	77,399,750.00 YER	859,668,690.20 YER	874,578.00 YER	135,858,540.00 YER		90,797,546.00 YER	24,500,000.00 YER	7,450,000.00 YER			129,507,764.00 YER	903,679,073.79 YER
Value of Guarantees Issued	54,179,825.00 YER	528,770,019.99 YER	612,204.60 YER	95,100,978.00 YER		63,558,282.20 YER	24,500,000.00 YER	7,450,000.00 YER			392,649,691.55 YER	2,987,045,981.10 YER
Outstanding Value of Guarantees Issued	64,365,413.00 YER	2,189,848,216.75 YER	603,069.57 YER	151,972,835.00 YER	29,706,592.35 YER	67,738,467.30 YER	64,071,900.32 YER	19,189,174.01 YER	6,729,633.16 YER	170,988.08 YER	326.00 YER	1,722.00 YER
Number of Outstanding Guarantees Issued	21.00 YER	1,029.00 YER	2.00 YER	72.00 YER	21.00 YER	46.00 YER	61.00 YER	20.00 YER	123.00 YER	1.00 YER	326.00 YER	1,722.00 YER