

## Headquarters

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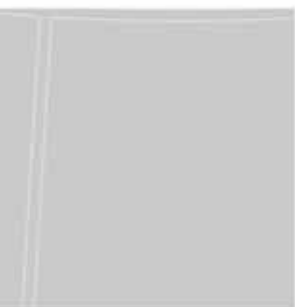
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**His Majesty King Abdullah II Bin Al-Hussein**





**His Royal Highness Crown Prince Hussein Bin Abdullah**

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## Jordan Loan Guarantee Corporation

A Limited, Public Shareholding Company, established under the Jordanian Companies Law and registered in the Public Shareholding Companies Register on 26.03.1994, under No.242, with a declared and paid-up capital of JD 10 million.





## Mission Statement



To enhance sustainable economic growth in Jordan through improving the credit environment available to the economically viable small and medium sized enterprises and national exports by providing them with credit and loan guarantees.



## Message from the Chairman

In the Name of God the Merciful the Compassionate

Ladies and Gentlemen:

I would like to welcome you to the 18th Annual Ordinary General Assembly Meeting of the Jordan Loan Guarantee Corporation (JLGC). It gives me true pleasure to present to you on behalf of Board of Directors, the 18th annual report containing the operating activities and achievements of JLGC during 2011, including the financial statements and the external auditor's report for the year ended on 31/12/2011.

Honorable Shareholders,

JLGC performance during the year 2011 was affected by the latest economic developments in the international and regional arenas that heightened the challenges facing the Jordanian economy and leading to slower growth in the overall economic activities in the Kingdom compared to the period that preceded the global economic crisis.

Despite of these developments, the overall indicators of the banking system continued to reflect sound financial positions and improved performance as presented in the capital adequacy, liquidity and profitability measures of banks operating in Jordan. Banks direct credit facilities to the private sector grew by 10% during the year 2011 which is consistent with the overall growth of economic activity in the Kingdom. The growth was motivated by the competitive interest rates on credit facilities, which narrowed the spreads between deposit and lending rates in the market in general. The growth in credit, however, was accompanied by an increase in the nonperforming loans ratio, given the overall slowdown in economic activities, with some of these loans being guaranteed by JLGC.

This balanced performance of the banking system reflected the efforts of the Central Bank to improve further the soundness of the banking system and increase its competitiveness. The Central Bank continued in exerting the needed effort to ensure that banks have effective risk management systems and sound corporate governance. It also intensified its effort to sustain adequate levels of capital and liquidity in the banking system to face any unexpected risks, and sustain a sound system capable of performing its pivotal roles effectively.

Honorable Shareholders,

Given the importance of financing small and medium-sized enterprises in the economy, banks continued to benefit from the facilities and credit lines targeted for these projects in the Jordanian market, which in turn helped activate the role of JLGC to enhance the ability of banks to grant credit and provide funding for investments of the private sector and stimulate economic activity.

JLGC enhanced its effort in 2011 to achieve the goal it was established for, namely to provide the necessary guarantees to credit facilities granted to small and medium size enterprises and for Jordanian exports. Both functions contribute directly to job creation and export promotion with the objective of enhancing economic growth in the Kingdom at large.

JLGC provided guarantees for 936 loans with a guaranteed value of JD 23.3 million during the year 2011, compared with 1087 loans and a guaranteed amount of JD14.9 million in 2010. It also signed 24 export credit guarantee policies totaling JD 164.4 million compared with 25 policies in 2010 valued at JD 153.3 million. The guaranteed export shipments during 2011 amounted to 290 shipments with a total value of JD 117.7 million in comparison with 1108 shipments valued at JD 65.4 million in 2010.

In terms of the financial performance of JLGC, the operating and investment income declined to reach JD 1.221 million in 2011, down from JD 1.845 million achieved in 2010. The figure for the year 2010, however, includes nonrecurring revenues totaling JD 594.7 thousand. Despite the containment of the general and administrative expenses by about 15%, the bottom line showed a loss driven mainly by the increase in provisions for bond investments and loan guarantees outstanding with both of them being affected by the slowdown in the economic activity in the country. Accordingly, the total value of shareholders' equity retreated to reach JD 14.011 million by the end of 2011 compared with JD 14.576 million at the end of the previous year. Total assets also declined to reach JD 21.981 million by the end of 2011 in comparison with 22.91 million at the end of 2010.

Honorable Shareholders,

JLGC is looking forward to continue to perform its mandate in facilitating the financing of small and medium-sized enterprises, while continuously working to improve the efficiency of its risk management, in order to achieve the goals it was established for and to achieve the operational sustainability and targeted growth in the future.

Finally, allow me to extend my sincere thanks on your behalf to my fellow Board Members and the Director-General for their efforts in achieving the objectives of the company, pleading with God to keep Jordan under His Majesty King Abdullah II, May God protect him.

May peace and God's mercy and blessings be upon you,

D. Maher, "Sheikh Hasan"  
Chairman of the Board



## Message from the Director General

In the Name of God the Merciful the Compassionate

Honorable Shareholders,

The Jordan Loan Guarantee Corporation (JLGC) continues to play its vital role in the Jordanian economy to achieve its mission. It enhanced, during the year 2011, its provision of loan guarantees necessary to facilitate banks financing to small and medium sized enterprises that are the primary contributors to job creation and sustainable economic growth.

JLGC also contributed to the promotion of Jordanian exports through its export credit guarantees provided to Jordanian exporters against the nonpayment risks.

Honorable Shareholders,

JLGC provided guarantees for 936 loans with a guaranteed amount of JD 23 million during the year 2011 through its different loan guarantee programs ,in comparison with 1078 guaranteed loans worth nearly JD 15 million in 2010. Guarantees provided in 2011 were split between 516 productive loans with a guaranteed value of over JD 12 million, and 420 housing loans totaling JD 11.26 million. The outstanding balance of the guaranteed loans portfolio reached JD 49.2 million by the end of 2011 compared with JD 43.8 million a year earlier.

JLGC also guaranteed, through its exports and domestic buyers' credit guarantee programs, 1290 shipments with a guaranteed value exceeding JD 117 million, in comparison with 1108 shipments valued at JD 65.4 million in 2010. The shipments were divided into 1151 export shipments totaling JD 110.9 million and 139 shipments of local sales worth JD 6.8 million.

Honorable Shareholders,

Due to the developments in economic growth in general, the banks and lending institutions participating in the loan guarantee programs submitted claims for loan defaults valued at JD 1.35 million in 2011 compared with only JD 0.694 million in 2010; reflecting a significant increase of 94.5%. Accordingly, reimbursements soared to reach JD 1.06 million in 2011 up from JD 195 thousand 2010. Recoveries, however, amounted to JD 274 thousands in 2011 compared with JD 121 thousands in 2010. Also a total value of JD 2.99 million in loans were re-scheduled in 2011, compared with JD 5.2 million in 2010.

Honorable Shareholders,

It is worth mentioning that the total operating revenues of JLGC has risen from JD 586 thousands in 2010 to JD 640 thousands in 2011 due to the increase in fees collected from both loans and export shipments guarantees. However, investment income retreated from JD 660.6 thousands to JD 565.9 thousands during the same period. Also, with the increase in provisions for loan guarantees along with those for bond investments, the net income for JLGC showed a loss JD 262.4 thousand in 2011 compared with a net profit of JD 317 thousand achieved a year earlier.

Dear shareholders,

Let me finally express my sincere thanks and appreciation to the Chairman and Members of the Board and all the staff of the JLGC on their dedication and hard work during the year to achieve the objectives of the company, asking the God Almighty to protect Jordan under His Majesty King Abdullah II, may God protect him.

May peace and God's mercy and blessings be with you.

Dr. Mohammed Al-Jafari

Director General

## Summary Results of 2011 vs. 2010

### Operational Results

Loan Guarantees		
Loans Executed & Under Execution During the Year		
Number of Loans	2011	2010
Productive loans	516	848
Personal Loans	420	230
<b>Total</b>	<b>936</b>	<b>1,078</b>
Guaranteed Values	2011	2010
Productive loans	12,038,130	8,563,475
Personal Loans	11,263,433	6,313,664
<b>Total</b>	<b>23,301,563</b>	<b>14,877,139</b>

Credit Guarantees		
Guaranteed Shipments During the Year		
Number of Shipments	2011	2010
Export Credit	1151	940
Domestic Credit	139	168
<b>Total</b>	<b>1290</b>	<b>1,108</b>
Guaranteed Values	2011	2010
Export Credit	110,892,715	58,703,384
Domestic Credit	6,844,045	6,714,143
<b>Total</b>	<b>117,736,760</b>	<b>65,417,527</b>

Guaranteed Portfolio Outstanding at the End of the Year		
Number of Loans	2011	2010
Productive loans	819	1,090
Personal Loans	2244	2,224
<b>Total</b>	<b>3063</b>	<b>3,314</b>
Guaranteed Values	2011	2010
Productive loans	14,009,427	12,403,875
Personal Loans	35,191,118	31,395,114
<b>Total</b>	<b>49,200,545</b>	<b>43,798,989</b>

Guaranteed Portfolio Outstanding at the End of the Year		
Number of Shipments	2011	2010
Export Credit	339	199
Domestic Credit	55	56
<b>Total</b>	<b>394</b>	<b>255</b>
Guaranteed Values	2011	2010
Export Credit	2,641,130	6,558,034
Domestic Credit	408,521	1,707,090
<b>Total</b>	<b>3,049,651</b>	<b>8,265,124</b>

Total Guaranteed Portfolio		
	2011	2010
Total Loan Guarantee Portfolio	49,200,545	43,798,990
Total Credit Guarantee Portfolio	3,049,651	8,265,124
<b>Total Portfolio</b>	<b>52,250,196</b>	<b>52,064,113</b>

Total Ceilings Offered To Banks		
	2011	2010
Productive Loans Ceilings	5,333,700	5,019,700
Personal Loans Ceilings	42,844,186	40,184,000
<b>Total Ceilings</b>	<b>48,177,886</b>	<b>45,203,700</b>



## Summary Results of 2011 vs. 2010

Paid Indemnifications			Re-Scheduling		
	2011	2010		2011	2010
Loan Guarantee Indemnifications	566,579	95,718	Loan Guarantee Re-Scheduling	1,089,098	1,947,423
Industrial Finance Indemnifications	493,886	-	Industrial Finance Re-Scheduling	1,902,679	3,268,547
Exports Indemnifications	-	99,195	Exports Re-Scheduling	-	-
<b>Total Indemnifications</b>	<b>1,060,465</b>	<b>194,913</b>	<b>Total Re-Scheduling</b>	<b>2,991,777</b>	<b>5,215,970</b>

Recoveries			Claims		
	2011	2010		2011	2010
Loan Guarantee Recoveries	183,060	121,659	Loan Guarantee Claims	937,140	165,114
Industrial Finance Recoveries	91,062	-	Industrial Finance Claims	413,678	529,310
Exports Recoveries	-	-	Exports Claims	-	-
<b>Total Recoveries</b>	<b>274,122</b>	<b>121,659</b>	<b>Total Claims</b>	<b>1,350,818</b>	<b>694,424</b>

Financial Results		
	2011	2010
Operational Revenues	640,857	586,392
Realized Financial Revenues	565,943	660,692
Canceled Provisions	-	594,759
Other Revenues	13,815	2,943
<b>Total Realized Revenues</b>	<b>1,220,615</b>	<b>1,844,786</b>
Financial Assets measured at fair value through profit or loss revaluation	(47,115)	5,296
<b>Total Revenues</b>	<b>1,173,501</b>	<b>1,850,082</b>
(Less) General and Administrative Expenses	959,094	1,140,233
Gross Profit / Loss	214,406	709,849
(Less) Provisions & Other Fees	474,723	18,278
(Less) Income Tax	2,124	374,552
<b>Year's Profit (Loss)</b>	<b>(262,441)</b>	<b>317,019</b>

## 1. JLGC's Main Activities, Location, Number of Employees & Size of Capital Investment

### a. JLGC's Main Activities

Jordan Loan Guarantee Corporation aims to enhance sustainable economic growth in Jordan through improving the credit environment available to the economically viable small and medium sized enterprises and national exports by providing them with the following credit and loan guarantee programmes:

#### I. LOAN GUARANTEE PROGRAMMES

##### 1 - Productive Loan Guarantee Programme

- SMEs Loan Guarantee Programme.
- Micro Loan Guarantee Programme.
- Industrial Modernization Loan Guarantee Programme - EJADA.
- Leasing Guarantee Programme - EJADA.

##### 2 – Housing & Personal Loan Guarantee Programmes

- Housing Loan Guarantee Programme
- Land Purchase Loan Guarantee Programme

#### II. EXPORT & DOMESTIC CREDIT GUARANTEE PROGRAMMES

- Export Credit Guarantee Programme
- Domestic Credit Guarantee Programme

Following are Terms and conditions for the Loan Guarantee Programmes:

Productive Loan Guarantee Programmes	Max. Loan Amount (JD)	Max. Payment Period (Month)	Guarantee Percentage (%)
SMEs Loan Guarantees	70,000	72	70%
Micro Loan Guarantees	15,000	36	70%
Industrial Loan Guarantees (EJADA)	430,000	96	70%
Leasing Guarantees (EJADA)	430,000	96	70%
Housing & Personal Loan Guarantee Programmes	Max. Loan Amount (JD)	Max. Payment Period (Month)	Guarantee Percentage (%)
Housing Loan Guarantees	75,000	300	75%
Land Purchase Loan Guarantees	50,000	120	70%
Credit Guarantee Programmes	Max. Shipment Amount (JD)	Max. Payment Period (Month)	Guarantee Percentage (%)
Export Credit Guarantees	4,000,000	6	90%
Domestic Credit Guarantees	4,000,000	4	90%





## b. JLGC's Location & Number of Employees

JLGC offices are located at Bldg. 24 Prince Shaker Bin Zaid Street in Shmeisani Area in Amman, and there are no other branches in or outside Amman.

The JLGC programmes and services were run by a staff of **34** employees in 2011.

## c. Size of Capital Investment

- Total size of investment in 2011 was **JD 3,243,359** in comparison with JD 3,295,945 in 2010.

## 2 - A description of the Subsidiary Companies, the nature of their business and their areas of activity

There are no subsidiary companies.

## 3 - The members of the Board of Directors names and the names and ranks of Senior Executive Management with a brief resume of each

### a. Board of Directors

#### H.E. Dr. Maher "Sheikh Hassan"

Deputy Governor of the Central Bank of Jordan  
Chairman  
since 13 February 2012

- PhD in Economics and Masters in Statistics / Washington State University / USA 2001.
- Masters in Economics / University of Jordan / 1996.
- Bachelor Degree in Economics / Yarmouk University / 1993.
- Deputy Governor of Central Bank since 8 January 2012.
- Won the "Exceptional Efforts" award from the International Monetary Fund.
- Headed and joined International Monetary Fund missions for evaluations and technical assistance to member countries.
- Assistant Section Head / Monetary Affairs and Capital Markets Department / International Monetary Fund / 2009.
- Economic Expert / Middle East and Near Asia / International Monetary Fund / 2005.
- Governor's office Manager / Central Bank of Jordan.
- Executive Manager / Banking Supervision Department / Central Bank of Jordan.
- Banking Supervision Department / Central Bank of Jordan / 1994.
- Have many book and research papers on Monetary Policy, Inflation, Evaluation and Selection of Exchange Rates, Financial Assets Price Bubbles, and many others.
- Governor of the Central Bank of Jordan until 9 January 2012.
- Deputy Governor of Central Bank since 16 February 2003.
- Managing Director and Board Member of the Deposits Guarantee Corporation.
- Head of Investment Department in the Arab Monetary Fund - Abu Dhabi.
- Acting Executive Director / Executive Director at the Central Bank of Jordan.
- Head of the Investment Department at the Central Bank of Jordan.
- Employee / Acting Section Head / Section Head / Assistant Head of the Investment Department at the Central Bank of Jordan.

#### H.E. Mr. Faris Abdel Hamid Sharaf

Chairman  
Until 13 December 2011

- Masters Degree in Finance / American University of Beirut / Beirut , Lebanon.
- Masters Degree in Economics / Georgetown University / Washington DC, USA.
- Bachelor Degree in Economics & Political Science / Georgetown University / Washington DC, USA.
- Chairman of the Board / Arab Islamic International Bank / since October 2011.
- Governor / Central Bank of Jordan / until September 2011.
- CEO of Social Security Investment Fund / 2008 - 2010.
- Deputy Governor / Central Bank of Jordan / 2003 - 2007.
- Exec. Manager for Inv. Banking and Capital Markets / Export & Finance Bank / Jordan 1997 - 2003.
- Investment Analyst / International Finance Corporation / Washington DC / 1996 -1997.
- Economic Researcher / Amman Financial Market / 1992 – 1993.
- Chairman and member on the Boards of various Companies and organizations.

#### H.E. Mr. "Mohammad Said" Mohammad Shahin

Chairman  
until 12 February 2012

- Masters in Public Administration (Economic Development) Harvard University 1978.
- Bachelor Degree in Economics 1973.



### **H.E. Mr. Mohammed Al Jafari**

Deputy Chairman

Since 20 December 2011

- PhD in Finance / Manchester University / UK 1997.
- Masters Degree in Economics & Statistics / Jordan University / 1991.
- Bachelor Degree in economics / Yarmouk University / Jordan 1984 .
- Director General / Jordan Loan Guarantee Corporation / since 3 July 2011.
- Director General / Jordan Deposit Insurance Corporation / 2004 - 2011.
- Commissioner for Finance & Administration in the Aqaba Special Economic Zone Authority (ASEZA) / 2002 - 2003.
- Economic Researcher / Central Bank of Jordan / 1986 - 2001.
- Member of the Board of various companies and organizations.
- Member of the Executive Council in the International Association of Deposit Insurers (IADI).

### **Mr. Mo'taz Barbour**

Board Member Until

31 March 2011

- Bachelor Degree in Accounting / High Diploma in Banking Studies.
- Executive Manager / Investment and Foreign Operations Department in the Central Bank of Jordan.
- Executive Manager Assistant in the Investment and Foreign Operations Department in the Central Bank of Jordan.

### **Mr. Adel Ibrahim Asa'ad**

Board Member

- MBA from Eastern University / USA 1993.
- Currently Assistant General Manager at the Housing Bank for Trade & Finance.
- Head for Credit Review at the Housing Bank for Trade & Finance / 2008-2011.
- Manager of Risk Management at the Housing Bank / 2003-2007.
- Fulbright Scholarship at Boston University / USA / 2001-2002 .
- LCs, Transfers, & Internal Auditing at the Housing Bank / 1994-2001.

### **Mr. Ne'meh Sabagh**

Board Member

Since 5 April 2011

- High Management Program / College of Business Administration / Stanford University 1990.
- Masters Degree in Finance & Banking / Chicago University 1976.
- Masters Degree in International Economics / John Hopkins University 1974.
- General Manager / Arab Bank / Jordan since February 2010.
- Executive General Manager / Mediterranean Bank / Lebanon 2006 - 2009.
- Elected Member & CEO / Arab National Bank / Riyadh – Saudi Arabia / 1998 - 2005.
- General Manager / International Banking Group / Bank of Kuwait / 1979 - 1998.

### **Mr. Walid Abdullah Al Absi**

Board Member (Until 4 April 2011)

- Bachelor Degree in Administration / Yarmouk University 1989.
- Currently Head of Large Corporate Unit / Arab Bank.
- Certified Lender Business Banker (CLBB) .
- Corporate Credit Manager / Arab Bank 2010.
- Corporate Business Development Executive Manager / Bank of Jordan 2008.

### **Mr. Abdel Elah Al Hunaiti**

Board Member

- Bachelor Degree in Law.
- General Manager of the Cities & Villages Development Bank since 7/1/2010.
- Head of Administration Department in the Ministry of Rural Affairs.
- Head of the Internal Auditing Unit in the Ministry of Rural Affairs.

### **Mr. Ramzi Aref Dahabreh**

Board Member

- Bachelor Degree in Accounting / Jordan University 1984.
- Aqaba Branch Manager of the Social Security Corporation since 2006.
- Different other positions at the Social Security Corporation.

### **Mr. Tawfeek Abdel Kader Mukahal**

Board Member

- Deputy General Manager / Banking Group / Jordan Kuwait Bank .
- Executive Manager / Credit Marketing / Jordan Kuwait Bank .
- Deputy Chairman for the Jordan Mortgage Refinance Company, Board Member for the Jordan Steel Company.



## b. Top Management

### Dr. Mohammed Al Jafari

Director General  
Since 3 July 2011

- PhD in Finance / Manchester University / UK 1997.
- Masters Degree in Economics & Statistics / Jordan University / 1991.
- Bachelor Degree in economics / Yarmouk University / Jordan 1984 .
- Director General / Jordan Loan Guarantee Corporation / since 3 July 2011.
- Director General / Jordan Deposit Insurance Corporation / 2004 - 2011.
- Commissioner for Finance & Administration in the Aqaba Special Economic Zone Authority (ASEZA) / 2002 - 2003.
- Economic Researcher / Central Bank of Jordan / 1986 - 2001.
- Member of the Board of various companies and organizations.
- Member of the Executive Council in the International Association of Deposit Insurers (IADI).

### Dr. Jamal Mohammad Salah

Director General  
Until 30 June 2008

- PhD in Economics 1979 from Keele University / United Kingdom.
- Director General / Jordan Loan Guarantee Corporation / Since 1st June 2008.
- Advisor / Islamic Development Bank, Saudi Arabia / July 2001 – July 2007.
- Advisor / Prime Ministry / Jan 2001 - July 2001.
- Sectary General / Ministry of Planning / Nov 1999 - Jan 2001.
- Director General / Jordan Loan Guarantee Corporation / April 1994 – Nov 1999.
- Executive Director / Research Department / Central Bank of Jordan / Jan 1993 – Apr 1994.
- Assistant Executive Director / Central Bank of Jordan / Feb 1988 – Jan 1993.
- Economic Advisor / Central Bank of Qatar / Jan 1983 – Feb 1988.
- Various Positions / Central Bank of Jordan / Sep 1970 – Jan 1983.

### Mr. Faeq Nassar

Assistant Director General for Support & Backing Group

- Bachelor Degree in Finance & Management in 1980
- Lecturer then Head of Finance and Administration at the Arab Community College
- Administrative Researcher at the Jordan Electricity Authority
- Financial and Administrative Manager at the International Contractors Group
- Personnel Department / The Housing Bank for Trade and Finance
- Credit Officer at the Arab Land Bank
- With JLGC since Feb. 1 1996

### Mr. Mohannad Al Rashdan

Assistant Director General for Technical & Operational Group

- Bachelor Degree in Economics 1993, Masters Degree in Financial Management in 2005.
- Credit Officer at the Housing Bank for Trade and Finance.
- With JLGC since Oct. 1 1995.

### Mr. Jamal Al Jafari

Loan Guarantee Department Manager

- Bachelor Degree in Accounting 1998.
- Accountant in the Jordan Distribution Agency.
- With JLGC since Jan 1 1995.

### Mr. Zaid Al Kayed

Credit Guarantee Department Manager

- Masters Degree in Business Administration / Kent University, UK , 2005.
- Bachelor Degree in Banking 2002.
- With JLGC since 2003.

### Mr. Hekmat Mohanna

Industrial Finance Department Manager (EJADA)

- Bachelor Degree in Banking 1993, Master Degree in Banking 2002.
- Assistant Manager / SME Credit Center / Bank of Jordan 1999-2010.
- Head of Foreign Affairs & International Relations / Cairo Amman Bank 1994-1999.
- With JLGC since 7 June 2010.

## 4 – Largest Shareholders

The names of JLGC's largest shareholders owning 5% or more of total company shares in 2011 in comparison with 2010

Shareholder	Number of Shares 2011	% of Share 2011	% of Share 2010
Central Bank of Jordan	4,775,000	47.75%	47.75%
Cities & Villages Development Bank	525,000	5.25%	5.25%
Social Security Corporation	524,000	5.24%	5.24%

## 5. JLGC's competitive position

Jordan Loan Guarantee Corporation is the only company that offers loan and export credit guarantees in Jordan, therefore JLGC faces no competition in the country. However, there are similar regional companies operating in other Arab countries that guarantee Jordanian exports.

JLGC is committed to pursuing the Best Practices in their core business of Loan Guarantees and Export Credit Guarantees that are followed by other similar world class guarantee institutions.

## 6. The extent of dependence upon specific suppliers and/or major clients

There are no specific suppliers or major clients for JLGC whether local or international who represent 10 % or more of JLGC's purchases and/or sales or revenues.

## 7. Any Government Protection or Concession Granted to JLGC

Participating Banks utilizing the services offered by the Jordan Loan Guarantee Corporation have the following privileges provided by the Central Bank of Jordan:

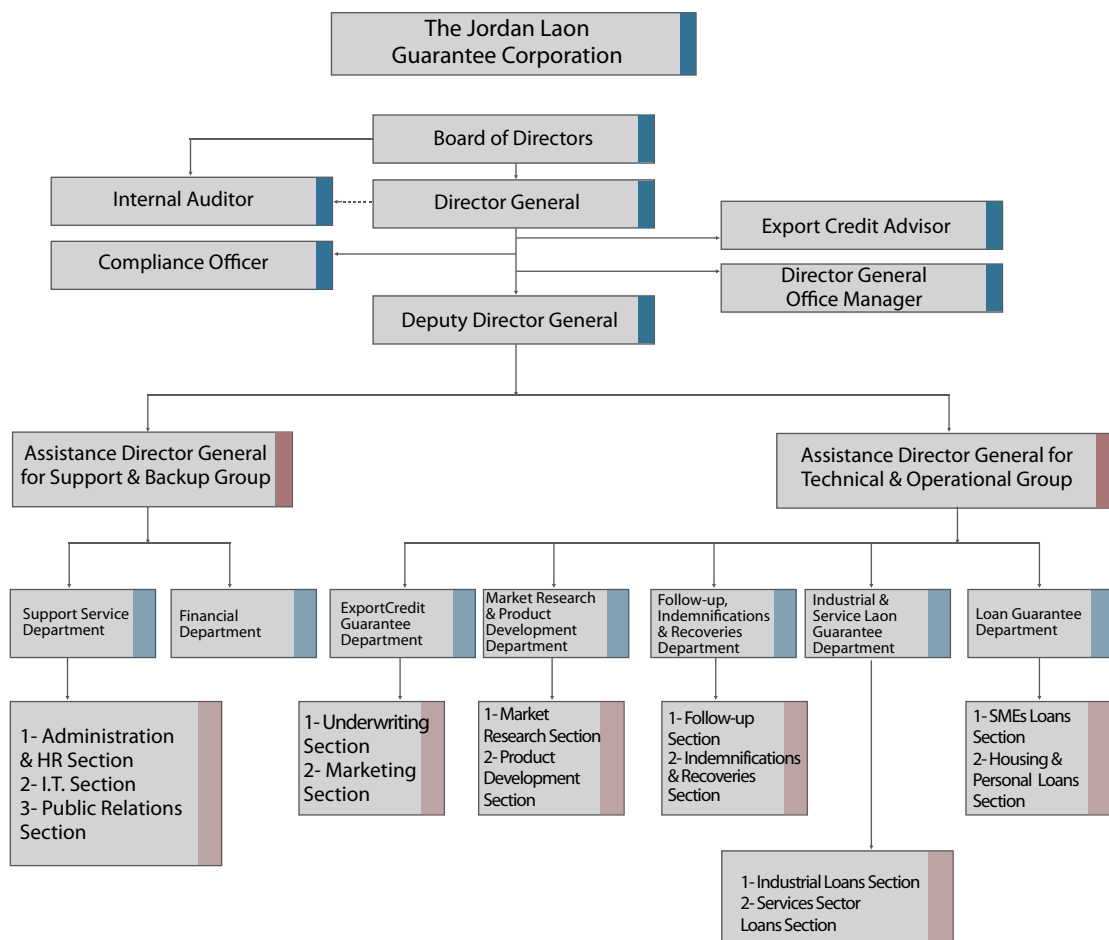
- Loans Guaranteed by JLGC are considered Good loans for which General Provisions required by the Central Bank of Jordan are waived throughout the life of the loan, as for default loans, provisions are waived for the first year of default but to be generated from the second year.
- The portion of the participating bank's assets of guaranteed loans are considered preferred assets and therefore the Weighted Average of Capital Adequacy required from banks against their loans is decreased.

## 8. Any Decision by the Government with a material effect on JLGC

- The Council of Ministers has decided to exempt all JLGC's Export Credit Guarantee contracts and their subsequent claims from relevant stamp duties.
- The Council of Ministers decision number (438) dated 26/1/2010 exempted JLGC from sales and all other taxes and fees except for Income Tax.

## 9. JLGC's Organizational Chart, Number of Employees their Qualifications, and Training programs

### A . Organizational Chart at the end of 2011



## B. Number of Employees and their Qualifications at the end of 2011

The Number of employees in 2011 was **34** compared to 40 employees in 2010, with their qualifications as follows:

Year	PhD	Master Degree	High Diploma	Bachelor Degree	Junior College	High School	Less than High School	Total
2011	1	5	1	19	2	3	3	34
2010	1	5	1	21	4	5	3	40

Positions are filled through the employment committee and the approval of the Director General and through the Board of Director's decision for top management positions.

The following table shows employees' turnover during the past 5 years:

Year	Employees Turnover
2011	27.7%
2010	22.8%
2009	21.0%
2008	24.0%
2007	21.0%

## C. Employees Training in 2011

To increase employee's qualifications, JLGC nominated employees for the following training courses during the past 5 years:

Year	# of Internal Courses	# of Employees Trained Internally	# of External Courses	# of Employees Trained Externally	Total Training Costs
2011	16	15	4	3	10,978
2010	19	11	4	4	7,727
2009	18	13	3	2	4,898
2008	30	20	7	6	18,967
2007	25	18	7	5	13,771





## 10. A description of JLGC's risk exposure

Since the nature of JLGC's work is providing guarantees against loan risks of the small and medium sized enterprises as well as the risks of export credit, the company is exposed to the risk of default for these SME loans and the risk of non-payment of foreign buyers of the Jordanian exports. In 2011 JLGC's paid amounts for default guarantees reached a **JD 1,060,475** compared to JD 116,084 in 2010.

## 11. Accomplishments Supported by Numbers

The Jordan Loan Guarantee Corporation offered 936 loan guarantees in 2011 with a guaranteed value of JD 23.3 million in 2011, in comparison with 1078 loans with a guaranteed value of JD 14.88 million in 2010.

Out of the guaranteed loans in 2011, there were 516 productive loans with a guaranteed value of JD 12.04 million, and 420 housing loans with a guaranteed value of JD 11.26 million.

At the end of 2011, the outstanding guaranteed loans portfolio was 3063 loans with a guaranteed value of JD 49.2 million, in comparison with 3314 loans in 2010 with a guaranteed value of JD 43.8 million.

The outstanding loan guarantees portfolio in 2011 is divided into 819 outstanding productive loans and 2244 outstanding housing loans, with guaranteed values of JD 14 million and JD 35.2 million respectively.

On the other hand and through the Export and Domestic Credit Guarantee programmes, the Jordan Loan Guarantee Corporation guaranteed a total of 1290 shipments with a guaranteed value of JD 117.7 million in 2011, in comparison with 1108 shipments with a guaranteed value of JD 65.4 million in 2010.

Guaranteed shipments in 2011 are divided into 1151 export shipments and 139 domestic sales shipments, with guaranteed values of JD 110.9 million and JD 6.8 million respectively.

Claims for defaulted guaranteed loans received from participating banks and financing institutions during 2011 totaled a guaranteed value of JD 1.35 million, in comparison with JD 694 thousand in 2010, at an increase of 94.5% from last year.

As for indemnifications paid by the company for defaulted loans during 2011, it has increased to reach to JD 1.06 million, compared to only JD 195 thousand paid in 2010. This company recovered an amount of JD 274 thousand in 2011, compared to JD 122 thousand recovered in 2010.

In addition there were a number of rescheduled loans in 2011, with a guaranteed value of JD 2.99 million, in comparison to rescheduled loans with a JD 5.2 million guaranteed value in 2010.

The financial results of the company showed the total operating income has increased from JD 586 thousand in 2010 to JD 640 thousand in 2011 due to more guarantees of loans and export shipments, on the other hand the investment income of the company decreased from JD 660.6 thousand in 2010 to JD 565.9 in 2011.

The revaluation of financial assets and the allocation of provisions to face any declining value of company investments both had a negative effect on the final results, to show losses of JD 262.4 thousand in 2011 in comparison to a JD 317 thousand profit in 2010.

## 12. The Financial Impact of Non-Recurrent Transactions

An amount of JD 289,547 is held as a provision for devaluation of debentures in addition to overdue interest revenues.

## 13. A Chronology of the Realized Profits or Losses, Dividends, Shareholders' Net Equity and Prices of Securities issued by JLGC

Year	Net Profit before Taxes & other Provisions	Dividends Distributed to Shareholders	Shareholders Net Equity	Share Price
2000	781,166	-	12,180,468	-
2001	647,883	500,000	13,051,558	-
2002	494,280	350,000	13,151,984	-
2003	1,297,527	700,000	14,295,001	-
2004	1,116,355	600,000	15,000,699	-
2005	3,027,045	700,000	17,531,279	1.58
2006	(161,462)	500,000	16,680,780	1.19
2007	1,075,733	600,000	17,012,200	1.24
2008	(1,205,485)	500,000	15,133,003	0.70
2009	954,607	400,000	14,777,837	0.65
2010	698,557	300,000	14,576,044	0.63
2011	(260,317)	0	14,011,458	0.47

Note: Company Shares were quoted from the Second Amman Financial Market early 2005

## 14. Analysis of JLGC's Financial Status

Ratios	2011	2010	2009	2008	2007
Earnings per Share	-0.026	0.032	0.087	-0.105	0.072
Return on Investment	-1.194%	1.38%	3.68%	-4.60%	2.80%
Return on Shareholder's Equity	-1.873%	2.17%	5.87%	-6.92%	4.20%
Return on Paid Up Capital	-2.624%	3.17%	8.68%	-10.47%	7.20%
Holding Ratio	63.741%	63.62%	62.68%	64.52%	67.20%
Fixed Assets / Shareholder's Equity	23.148%	22.61%	21.45%	1%	0.64%
Rate of Indebtedness	1.637%	1.90%	2.32%	2.64%	3.10%
Liabilities to 3rd parties / Total Assets	36.259%	36.37%	37.32%	35.50%	32.80%
Liabilities to 3rd parties / Shareholder's Equity	56.884%	57.18%	59.54%	55.11%	48.80%
Current Liabilities / Shareholder's Equity	2.568%	2.99%	3.70%	4.17%	4.60%
Revenue / Total Assets	5.3%	8.1%	9.00%	7.30%	9.07%
Circulation Ratio	5124.458%	4436%	3621.53%	3623.51%	3187.50%
<b>Working Capital (JD)</b>	<b>18,075,238</b>	<b>18,873,410</b>	<b>19,250,407</b>	<b>22,259,535</b>	<b>24,179,794</b>

## 15. Important Future Plans & Developments

Below is a summary of the company's main future plans:

- Continue the marketing of loan guarantee programs to banks and financing institutions and emphasize the company's role in facilitating the necessary financing for small and medium enterprises.
- Disseminate the export domestic sales credit guarantee mechanism to exporters and industrialists, and emphasize the company's important role in supporting Jordanian exports.
- Continue field visits, seminars, conferences and workshops aimed at spreading the culture of the Loan Guarantees and Export & Domestic Sales Credit Guarantees and the company's developmental role in the Jordanian economy and the reduction of the unemployment by facilitating the financing of small and medium enterprises.
- Acknowledgement of developments in products provided by banks to target entrepreneurs and come up with flexible mechanisms and guarantee programs to meet the new requirements for these products.
- Continue to work on marketing the mechanism of providing guarantees to the banks full portfolio granted to small and medium-sized companies in order to serve a greater range of financed projects.
- Continue to work on developing an appropriate mechanism to delegate to the banks and financial institutions to complete the process of guarantees without returning to the company, providing compliance to pre-agreed conditions, which will accelerate the financing process and shorten procedures that may hinder the work.
- Continue to work with government agencies to create a government fund to support the Export Credit Guarantee mechanism to guarantee the political risks for Jordanian exports to the countries that are not covered by re-insurance companies.
- Work on creating an Underwriting Section in the company to expand the activities of the Export Credit Guarantee Department to include risk analysis of different countries and foreign importers.
- Continue to work on improving the electronic system used in all operational, financial, and administrative activities of the company, and the possibility of adopting an electronic system of processes and procedures for dealing with banks and financial institutions to increase speed and efficiency of work in the company.
- Improve the human resources in the company through continued training and development of qualifications to increase efficiency and productivity.
- Expand dealings with institutions specialized in micro-lending (Micro Finance) and financial leasing institutions.
- Continue cooperation with donor agencies along with the Ministry of Planning and Central Bank of Jordan to help achieve the developmental objectives of the company to support small and medium sized enterprises and in particular to give the loans of these SMEs guaranteed by JLGC a preferred low interest rates to match the lowered risk through guarantees on the banks and financing institutions, which will reduce the pressure on these projects and increase the chances of their success and importance in the economy.
- Review of the pricing mechanism of the loan and export credit guarantees to ensure the continuity of the company's role in the national economy.



## 16. External Auditing Fees

The total amount paid to the “Arab Professionals” as auditing fees in 2011 was **JD 9,280** including a 16% sales tax compared to JD 8,700 in 2010 .

## 17. Number of Securities issued by JLGC which are owned by any member of its Board of Directors or its Senior Executive Management

No Member of JLGC’s Board of Directors, Senior Executive Management, or any of their relatives own any securities issued by JLGC.

## 18. The privileges paid to the Chairman & the Board of Directors and to the Senior Executive Management

### a. Privileges paid to the Chairman & the Board of Directors

Total amounts paid as transportation & travel allowance and annual bonus to the Chairman & Members of the Board of Directors in 2011 was **JD 42,967** compared to JD 82,633 in 2010.

Name	Bonus	Transportation Allowance	Travel Allowance	Committee Allowance	Total
Mr. M.Said Shahin	0	6,000	0	0	<b>6,000</b>
Dr. Mohammed Al Jafari	0	300	0	0	<b>300</b>
Mr. Faris Abdel Hamid Sharaf	0	2,767	0	0	<b>2,767</b>
Mr. Mo'taz Barbour	0	1,500	0	200	<b>1,700</b>
Social Security Corporation	0	6,000	0	0	<b>6,000</b>
Mr. Abdel Elah Al Hunaiti	0	6,000	0	600	<b>6,600</b>
Mr. Adel Asa'ad	0	6,000	0	800	<b>6,800</b>
Mr. Tawfeek Mukahal	0	6,000	0	600	<b>6,600</b>
Mr. Nεmeh Sabagh	0	4,500	0	0	<b>4,500</b>
Mr. Walid Al Absi	0	1,500	0	200	<b>1,700</b>
<b>Total</b>	<b>0</b>	<b>40,567</b>	<b>0</b>	<b>2,400</b>	<b>42,967</b>

## b. Privileges paid to the Senior Executive Management

Total amounts paid as salaries, travel allowance and annual bonus to the senior executive management was JD 312,257 in 2011 compared to JD 270,869 in 2010 .

Name and Title	Salaries	Bonus	Travel Allowance	Committee Allowance	Total
Dr. Mohammed Al Jafari / Director General	45,983	0	3,500	0	<b>49,483</b>
Dr. Jamal Salah / Director General **	86,875	30,488*	875	0	<b>118,238</b>
Mr. Mohannad Al Rashdan / Assistant Director General for Technical & Operational Group	44,468	0	1,000	2,400	<b>47,868</b>
Mr. Faeq Nassar / Assistant Director General for Support & Backing Group	34,768	0	0	0	<b>34,768</b>
Mr. Jamal Al Jafari / Loan Guarantee Department Manager	24,850	0	0	0	<b>24,850</b>
Mr. Hekmat Mohanna / Industrial Finance Department Manager	19,350	0	300	0	<b>19,650</b>
Mr. Zaid Al Kayed / Export Credit Guarantee Department Manager	16,500	0	900	0	<b>17,400</b>
<b>Total</b>	<b>272,794</b>	<b>30,488</b>	<b>6,575</b>	<b>2,400</b>	<b>312,257</b>

\* End of Service Bonus

\*\* A consultant to the company from 3/7/2011 to 31/8/2011



## 19. Donations and Grants

No donations were made during 2011 or 2010 .

## 20. JLG C's contracts, projects and engagements with its Subsidiaries, Sister Companies or Affiliates

There are no contracts, projects or engagements between JLG C and Subsidiaries, Sister Companies or Affiliates or with the Chairman of the Board of Directors, members of the Board of Directors, the Chief Executive Officer or any employee of JLG C or their relatives.

## 21. JLG C's Contribution to Environmental Protection and Local Community Service

### a. Contribution to Environmental Protection

There are no contribution to environmental protection

### b. Local Community Service

All JLG C activities from Loan and Export Credit Guarantees aim in the first place to serve the local community in Jordan.

# OPERATIONAL ACTIVITIES







## Ceilings And Utilized Amounts

Ceilings and Utilized Amounts for All Loan Guarantee Programmes in 2011 vs. 2010

	As of 31/12/2011 (JD)			As of 31/12/2010 (JD)			Change from Last Year (JD)	
	Ceilings	Utilized	% Utilized	Ceilings	Utilized	% Utilized	Ceilings	Utilized
Ceilings for Productive Loan Guarantees	5,333,700	3,561,892	66.78%	5,019,700	3,122,602	62.21%	314,000	439,290
Ceilings for Housing & Personal Loan Guarantees	42,844,186	35,191,119	82.14%	40,184,000	31,405,298	78.15%	2,660,186	3,785,821
<b>Total Ceilings</b>	<b>48,177,886</b>	<b>38,753,011</b>	<b>80.44%</b>	<b>45,203,700</b>	<b>34,527,900</b>	<b>76.38%</b>	<b>2,974,186</b>	<b>4,225,111</b>

## Ceilings as of 31/12/2011 Divided by Bank

Bank	Ceilings for Productive Loan Guarantees			Ceilings for Housing & Personal Loan Guarantees			Total Ceilings		
	Ceilings	Utilized	% Utilized	Ceilings	Utilized	% Utilized	Ceilings	Utilized	% Utilized
Jordan Kuwait Bank	50,000	46,319	92.64%	50,000	43,216	86.43%	100,000	89,535	89.53%
Ahli BankAl	950,000	733,384	77.20%	10,909,000	6,627,129	60.75%	11,859,000	7,360,513	62.07%
Bank of Jordan	250,000	223,109	89.24%	7,000,000	6,358,796	90.84%	7,250,000	6,581,905	90.78%
Housing Bank	1,000,000	1,149,261	114.93%	0	0	0.00%	1,000,000	1,149,261	114.93%
Housing Bank / SME	0	32,522	0.00%	0	0	0.00%	0	32,522	0.00%
Arab Egyptian Land Bank	31,000	0	0.00%	560,000	257,202	45.93%	591,000	257,202	43.52%
Cairo Amman Bank	271,700	279,657	102.93%	19,100,000	18,367,813	96.17%	19,371,700	18,647,470	96.26%
Arab Bank	750,000	185,888	24.79%	65,186	65,186	100.00%	815,186	251,074	30.80%
Commercial Bank	231,000	82,719	35.81%	0	0	0.00%	231,000	82,719	35.81%
Jordan Arab Investment Bank	150,000	0	0.00%	150,000	18,229	12.15%	300,000	18,229	6.08%
Investment & Finance Bank	100,000	0	0.00%	0	0	0.00%	100,000	0	0.00%
ABC	100,000	45,041	45.04%	5,010,000	3,453,548	68.93%	5,110,000	3,498,589	68.47%
Societe General	700,000	357,022	51.00%	0	0	0.00%	700,000	357,022	51.00%
Al Ahlyeh Small Financing Company	750,000	426,970	56.93%	0	0	0.00%	750,000	426,970	56.93%
<b>Total</b>	<b>5,333,700</b>	<b>3,561,892</b>	<b>66.78%</b>	<b>42,844,186</b>	<b>35,191,119</b>	<b>82.14%</b>	<b>48,177,886</b>	<b>38,753,011</b>	<b>80.44%</b>

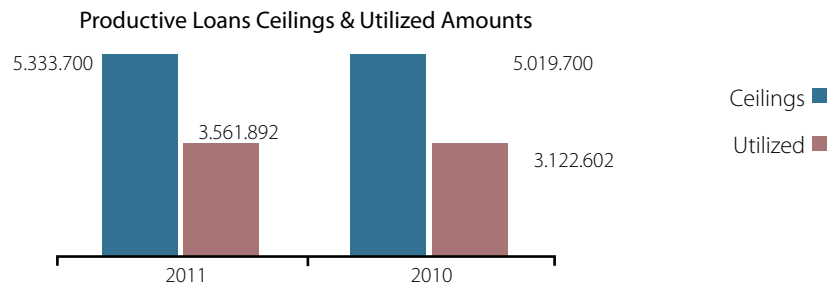


## Ceilings and Utilized Amounts for Productive Loan Guarantee Programmes in 2011 vs. 2010

	As of 31/12/2011 (JD)			As of 31/12/2010 (JD)			Change from Last Year (JD)	
	Ceilings	Utilized	% Utilized	Ceilings	Utilized	% Utilized	Ceilings	Utilized
Ceilings for SME* Loan Guarantees	5,312,000	3,561,892	67.05%	4,998,000	3,122,602	62.48%	314,000	439,290
Ceilings for Car Loan Guarantees	21,700	0	0.00%	21,700	0	0.00%	0	0
<b>Total Ceilings</b>	<b>5,333,700</b>	<b>3,561,892</b>	<b>66.78%</b>	<b>5,019,700</b>	<b>3,122,602</b>	<b>62.21%</b>	<b>314,000</b>	<b>439,290</b>

\*SME Loans includes Micro Loans

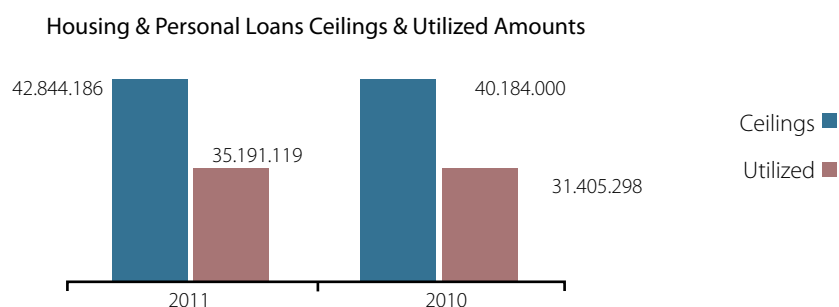
Note : EJADA Industrial Finance and Leasing Programmes have no ceilings



## Ceilings and Utilized Amounts for Housing & Personal Loan Guarantee Programmes in 2011 vs. 2010

	As of 31/12/2011 (JD)			As of 31/12/2010 (JD)			Change from Last Year (JD)	
	Ceilings	Utilized	% Utilized	Ceilings	Utilized	% Utilized	Ceilings	Utilized
Ceilings for Housing Loan Guarantees**	42,844,186	35,093,267	81.91%	40,184,000	31,279,188	77.84%	2,660,186	3,814,079
Ceilings for Land Purchase Loan Guarantees	0	2,323	-	0	107,894	-	0	-105,571
Ceilings for Computer Loan Guarantees	0	95,529	-	0	18,216	-	0	77,313
<b>Total Ceilings</b>	<b>42,844,186</b>	<b>35,191,119</b>	<b>82.14%</b>	<b>40,184,000</b>	<b>31,405,298</b>	<b>78.15%</b>	<b>2,660,186</b>	<b>3,785,821</b>

\*\*Housing Loans includes Urban Development Loans



## ALL LOAN GUARANTEE PROGRAMMES

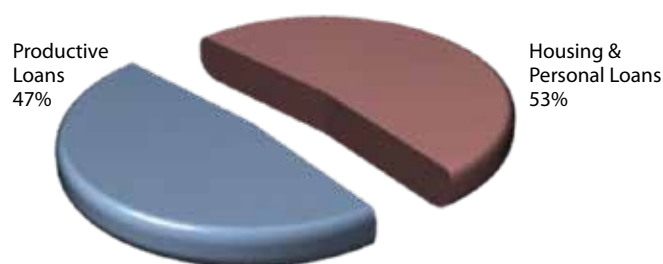
### Executed Loan Guarantees

Loan Guarantees Executed During 2011 Vs. 2010

Programme	2011		2010		Change	
	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)
Productive Loans (Incl. EJADA)	447	8,105,941	804	6,534,650	-357	1,571,291
Housing & Personal Loans	349	8,968,294	132	3,605,164	217	5,363,130
<b>Total</b>	<b>796</b>	<b>17,074,235</b>	<b>936</b>	<b>10,139,814</b>	<b>-140</b>	<b>6,934,421</b>

Loan Guarantees Executed During 2011 Divided By Bank

Bank	Productive Loan Guarantees		Housing & Personal Loan Guarantees		Total Executed Loan Guarantees	
	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)
Al Ahli Bank	38	1,548,897			38	1,548,897
Bank of Jordan	22	1,084,764	31	853,877	53	1,938,641
Housing Bank	89	1,187,730			89	1,187,730
Housing Bank / SME	2	23,800			2	23,800
Cairo Amman Bank	35	1,198,634	266	6,159,224	301	7,357,858
Arab Bank	9	395,500			9	395,500
ABC	2	220,505	52	1,955,193	54	2,175,698
Union Bank	5	775,200			5	775,200
Societe General	3	123,201			3	123,201
Al Ahlyeh Small Financing Company	232	630,185			232	630,185
Al Ahli Leasing Company	7	642426			7	642426
Tamkeen Leasing Company	3	275100			3	275100
<b>Total</b>	<b>447</b>	<b>8,105,941</b>	<b>349</b>	<b>8,968,294</b>	<b>796</b>	<b>17,074,235</b>



Loan Guarantees Executed During 2011

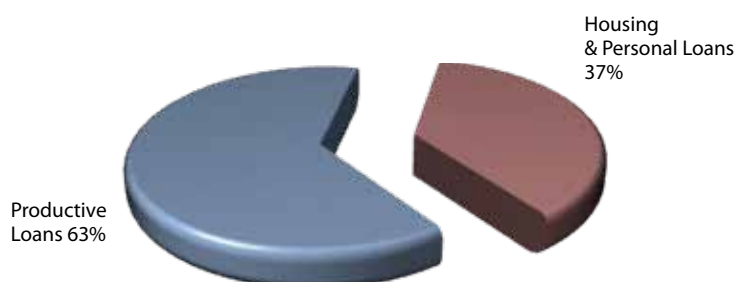
## Loan Guarantees under Execution

Loan Guarantees Under Executed During 2011 Vs. 2010

Programme	2011		2010		Change	
	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)
Productive Loans (Incl. EJADA)	69	3,932,189	44	2,028,825	25	1,903,364
Housing & Personal Loans	71	2,295,139	98	2,708,500	-27	-413,361
<b>Total</b>	<b>140</b>	<b>6,227,328</b>	<b>142</b>	<b>4,737,325</b>	<b>-2</b>	<b>1,490,003</b>

Loan Guarantees Under Execution During 2011 Divided By Bank

Bank	Productive Loan Guarantees		Housing & Personal Loan Guarantees		Total Executed Loan Guarantees	
	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)
Al Ahli Bank	2	157,500			2	1,157,500
Bank of Jordan	7	376,500	1	18,750	8	395,250
Housing Bank	10	752,948	34	985,523	44	1,738,471
Housing Bank / SME	8	262,500			8	262,500
Cairo Amman Bank	21	309,400			21	309,400
Arab Bank	6	186,200	22	748,516	28	934,716
ABC	2	65,100			2	65,100
Union Bank	1	280,000			1	280,000
Societe General	1	198,800	14	542,350	15	741,150
Al Ahliyah Small Financing Company	3	363,001			3	363,001
Al Ahli Leasing Company	1	10,500			1	10,500
Al Ahli Leasing Company	3	378,400			3	378,400
Tamkeen Leasing Company	4	591,340			4	591,340
<b>Total</b>	<b>69</b>	<b>3,932,189</b>	<b>71</b>	<b>2,295,139</b>	<b>140</b>	<b>6,227,328</b>



Loan Guarantees Under Execution in 2011

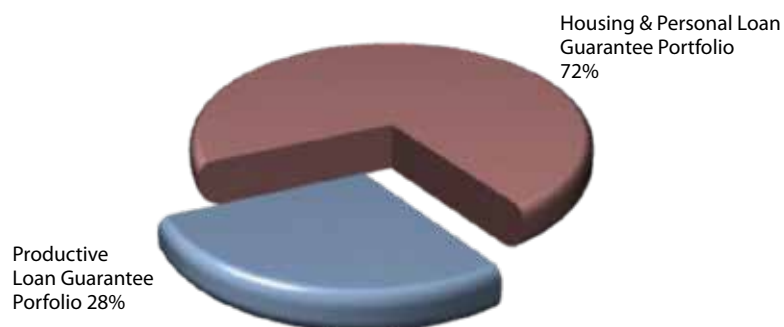
## Outstanding Loan Guarantees Portfolio

Outstanding Portfolio Of Loan Guarantees At The End Of 2011 Vs. 2010

Programme	2011		2010		Change	
	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)
Productive Loans (Incl. EJADA)	819	14,009,427	1090	12,403,876	-271	1,605,551
Housing & Personal Loans	2244	35,191,118	2224	31,395,114	20	3,796,004
<b>Total</b>	<b>3063</b>	<b>49,200,545</b>	<b>3314</b>	<b>43,798,990</b>	<b>-251</b>	<b>5,401,555</b>

Outstanding Loan Guarantees Portfolio At The End Of 2011 Divided By Bank

Bank	Productive Loan Guarantees		Housing & Personal Loan Guarantees		Total Loan Guarantees Portfolio	
	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)
Jordan Kuwait Bank	6	131,348	10	43,216	16	174,564
Al Ahli Bank	84	2,514,388	403	6,627,129	487	9,141,517
Bank of Jordan	35	1,947,994	445	6,358,796	480	8,306,790
Housing Bank	104	1,556,028			104	1,556,028
Housing Bank / SME	3	32,522			3	32,522
Arab Egyptian Land Bank			50	257,202	50	257,202
Cairo Amman Bank	51	1,100,373	1,189	18,367,813	1,240	19,468,186
Arab Bank	17	677,737	13	65,186	30	742,923
Jordan Commercial Bank	17	324,109			17	324,109
Jordan Arab Investment Bank			1	18,229	1	18,229
ABC	9	386,212	133	3,453,547	142	3,839,759
Union Bank	3	340,480			3	340,480
Societe General	45	656,452			45	656,452
Al Ahliyah Small Financing Company	406	426,970			406	426,970
Arab Leasing Company	2	166,577			2	166,577
Al Ahli Leasing Company	34	3,465,207			34	3,465,207
Tamkeen Leasing Company	3	283,031			3	283,031
<b>Total</b>	<b>819</b>	<b>14,009,427</b>	<b>2,244</b>	<b>35,191,118</b>	<b>3,063</b>	<b>49,200,545</b>



Outstanding Loan Guarantees Portfolio at the end of 2011



## PRODUCTIVE LOAN GUARANTEES

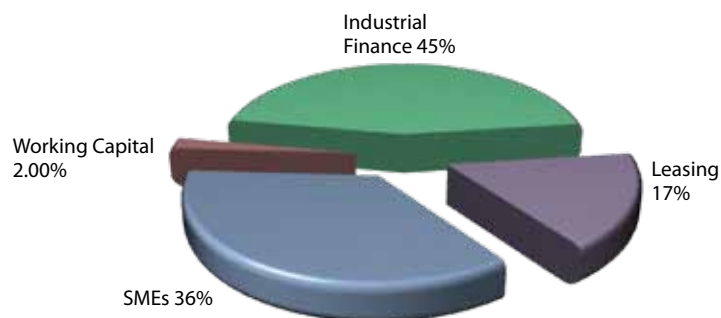
These programmes include SMEs, Micro Finance, and Car Loans, in addition to Exporter's Working Capital Loans and the EJADA programmes for Industrial Finance & Leasing Loans.

Following are the numbers & amounts of loans executed & under execution during the year 2010, and the outstanding guaranteed portfolio for these productive loans programmes at year's end, divided according to programme.

### Productive Loan Guarantees Executed during 2011 vs. 2010

Programme	2011		2010		Change	
	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)
SMEs Loan Guarantee Programmes*	393	2,910,942	774	2,633,601	-381	277,341
Working Capital Loan Guarantee Programme	1	161,955	1	161,955	0	0
Industrial Finance Loan Guarantee Programme (EJADA)	33	3,647,155	15	1,692,250	18	1,954,905
Leasing Loan Guarantee Programme (EJADA)	20	1,385,889	14	2,046,844	6	-660,955
<b>Total</b>	<b>447</b>	<b>8,105,941</b>	<b>804</b>	<b>6,534,650</b>	<b>-357</b>	<b>1,571,291</b>

\* Including Car Loans & Micro Finance Loans

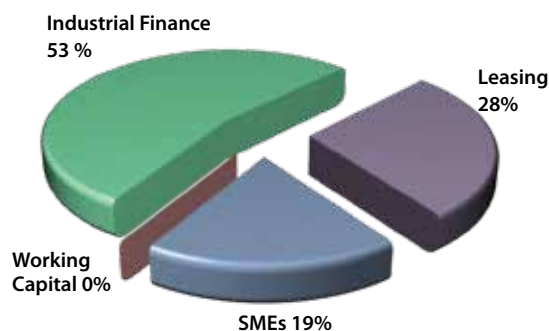


### Productive Loan Guarantees Executed in 2011

## Productive Loan Guarantees under Execution during 2011 vs. 2010

Programme	2011		2010		Change	
	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)
SMEs Loan Guarantee Programmes*	45	737,703	30	285,667	15	452,036
Working Capital Loan Guarantee Programme	0	0	0	0	0	0
Industrial Finance Loan Guarantee Programme (EJADA)	14	2,105,300	6	918,400	8	1,186,900
Leasing Loan Guarantee Programme (EJADA)	10	1,089,186	8	824,758	2	264,428
<b>Total</b>	<b>69</b>	<b>3,932,189</b>	<b>44</b>	<b>2,028,825</b>	<b>25</b>	<b>1,903,364</b>

\* Including Car Loans & Micro Finance Loans

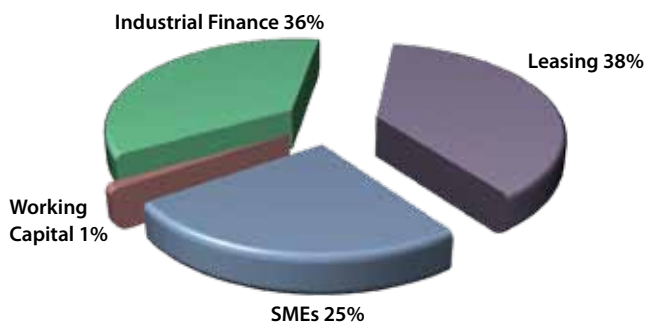


## Productive Loan Guarantees under Execution during 2011

Outstanding Productive Loan Guarantees Portfolio at the end of 2011 vs. 2010

Programme	2011		2010		Change	
	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)
SMEs Loan Guarantee Programmes*	690	3,561,892	991	3,122,603	-301	439,289
Working Capital Loan Guarantee Programme	1	161,955	1	161,955	0	0
Industrial Finance Loan Guarantee Programme (EJADA)	71	4,996,215	55	4,026,239	16	969,976
Leasing Loan Guarantee Programme (EJADA)	57	5,289,365	43	5,093,079	14	196,286
<b>Total</b>	<b>819</b>	<b>14,009,427</b>	<b>1090</b>	<b>12,403,876</b>	<b>-271</b>	<b>1,605,551</b>

\* Including Car Loans & Micro Finance Loans



## Outstanding Productive Loan Guarantees Portfolio at the end of 2011





## HOUSING & PERSONAL LOAN GUARANTEES

These programmes include Housing Loans, Rural Development Loans, and Land Purchase Loans, in addition to Computer Loans.

Following are the numbers & amounts of loans executed & under execution during the year 2010, and the outstanding guaranteed portfolio for these Personal Loans at year's end divided according to programme.

### Housing & Personal Loan Guarantees Executed in 2011 vs. 2010

Programme	2011		2010		Change	
	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)
Housing Loan Guarantee Programme*	348	8,950,794	132	3,605,164	216	5,345,630
Land Purchase Loan Guarantee Programme	1	17,500	0	0	1	17,500
Computers Loan Guarantee Programme	0	0	0	0	0	0
<b>Total</b>	<b>349</b>	<b>8,968,294</b>	<b>132</b>	<b>3,605,164</b>	<b>217</b>	<b>5,363,130</b>

### Housing & Personal Loan Guarantees under Execution in 2011 vs. 2010

Programme	2011		2010		Change	
	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)
Housing Loan Guarantee Programme*	70	2,260,139	98	2,708,500	-28	-448,361
Land Purchase Loan Guarantee Programme	1	35,000	0	0	1	35,000
Computers Loan Guarantee Programme	0	0	0	0	0	0
<b>Total</b>	<b>71</b>	<b>2,295,139</b>	<b>98</b>	<b>2,708,500</b>	<b>-27</b>	<b>-413,361</b>

### Outstanding Housing & Personal Loan Guarantees Portfolio at the end of 2011 vs. 2010

Programme	2011		2010		Change	
	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)	Number	Guaranteed Value (JD)
Housing Loan Guarantee Programme*	2218	35,093,266	2095	31,269,004	123	3,824,262
Land Purchase Loan Guarantee Programme	8	95,529	8	107,894	0	-12,365
Computers Loan Guarantee Programme	18	2,323	121	18,216	-103	-15,893
<b>Total</b>	<b>2244</b>	<b>35,191,118</b>	<b>2224</b>	<b>31,395,114</b>	<b>20</b>	<b>3,796,004</b>

\* Includes Urban Development Loans

## EXPORT & DOMESTIC CREDIT GUARANTEE PROGRAMMES

### Contracts Signed During 2011 Vs. 2010

Programme	Number of Contracts		Value of Contracts (JD)	
	2011	2010	2011	2010
Export Credit Guarantees	21	21	140,000,000	131,250,000
Domestic Credit Guarantees	3	4	24,402,700	22,081,000
<b>TOTAL CREDIT GUARANTEES</b>	<b>24</b>	<b>25</b>	<b>164,402,000</b>	<b>153,331,000</b>

### Guaranteed Export Shipments & Local Sales During 2011 Vs. 2010

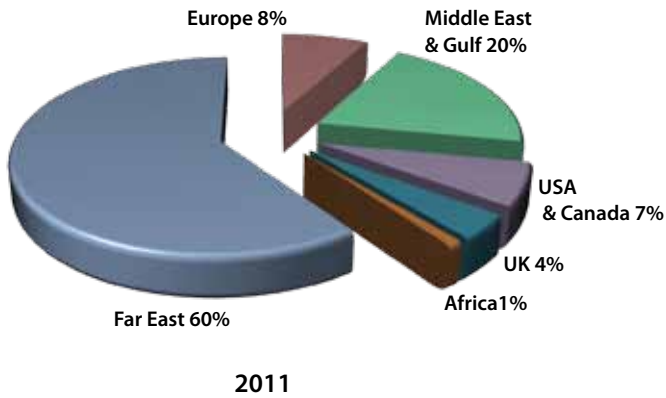
Programme	Number of Shipments		Value of Shipments (JD)		Guaranteed Value (JD)	
	2011	2010	2011	2010	2011	2010
Export Credit Guarantees	1151	940	113,156,953	61,000,417	110,892,715	58,703,384
Domestic Credit Guarantees	139	168	6,981,900	6,851,039	6,844,045	6,714,143
<b>TOTAL CREDIT GUARANTEES</b>	<b>1290</b>	<b>1108</b>	<b>120,144,853</b>	<b>67,851,456</b>	<b>117,736,760</b>	<b>65,417,527</b>

### Outstanding export shipments & local sales at the end Of 2011 vs. 2010

Programme	Number of Shipments		Value of Shipments (JD)		Guaranteed Value (JD)	
	2011	2010	2011	2010	2011	2010
Export Credit Guarantees	339	199	2,759,867	7,286,705	2,641,130	6,558,034
Domestic Credit Guarantees	55	56	439,692	1,896,766	408,521	1,707,090
<b>TOTAL CREDIT GUARANTEES</b>	<b>394</b>	<b>255</b>	<b>3,199,559</b>	<b>9,183,471</b>	<b>3,049,651</b>	<b>8,265,124</b>



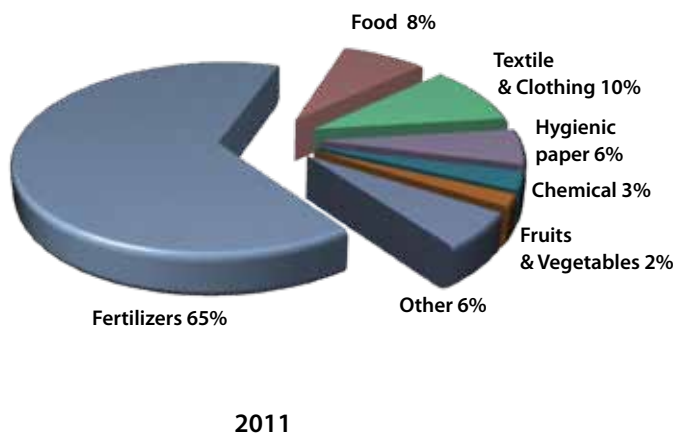
## Graphical Distribution Of Guaranteed Exports



GRAPHICAL DISTRIBUTION OF GUARANTEED SHIPMENT in 2011 vs. 2010

Area	2011	2010
Far East	60%	58%
Europe	8%	8%
Middle East & Gulf	20%	18%
USA & Canada	7%	9%
UK	4%	5%
Africa	1%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Sectorial Distribution Of Guaranteed Exports



Sectorial DISTRIBUTION OF GUARANTEED SHIPMENT in 2011 vs. 2010

Sector	2011	2010
Fertilizers	65%	69%
Food	8%	10%
Textile & Clothing	10%	8%
Hygienic paper	6%	6%
Chemical	3%	2%
Fruits & Vegetables	2%	2%
Others	6%	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## CLAIMS

### Loan Guarantee Claims During 2011 Vs. 2010

Programme	Number of Claims			Amount of Claims (JD)		
	2011	2010	Change	2011	2010	Change
SMEs Productive Loan Guarantee Programme	7	1	600%	223,578	8,014	2690%
Micro Loan Guarantee Programme	7	0	-	8,751	0	-
Housing & Personal Loan Guarantee Programme	40	5	700%	695,797	157,100	343%
Computers Loan Guarantee Programme	86	0	-	9,014	0	-
Industrial Loan Guarantee Programme (EJADA)	3	1	200%	113,735	319,310	-64%
Leasing Loan Guarantee Programme (EJADA)	1	1	0%	299,943	210,000	43%
<b>Total</b>	<b>144</b>	<b>8</b>	<b>1700%</b>	<b>1,350,818</b>	<b>694,424</b>	<b>94.5%</b>

### Export & Domestic Credit Guarantee Claims During 2011 Vs. 2010

Number of Claims			Amount of Claims (JD)		
2011	2010	Change	2011	2010	Change
-	-	-	-	-	-

## Paid Indemnifications

LOAN GUARANTEE INDEMNIFICATIONS PAID DURING 2011 vs. 2010

Programme	Number Paid Indemnifications			Amount of Paid Indemnifications (JD)		
	2011	2010	Change	2011	2010	Change
SMEs Productive Loan Guarantee Programme	5	0	-	150,119	0	-
Micro Loan Guarantee Programme	7	0	-	5,916	0	-
Housing & Personal Loan Guarantee Programme	19	4	375%	403,226	95,718	321%
Computers Loan Guarantee Programme	87	0	-	7,318	0	-
Industrial Loan Guarantee Programme (EJADA)	3	0	-	321,693	0	-
Leasing Loan Guarantee Programme (EJADA)	1	0	-	172,193	0	-
<b>Total</b>	<b>122</b>	<b>4</b>	<b>2950%</b>	<b>1,060,465</b>	<b>95,718</b>	<b>1008%</b>

### Export & Domestic Credit Guarantee Indemnifications Paid During 2011 Vs. 2010

Number of Indemnifications			Amount of Indemnifications (JD)		
2011	2010	Change	2011	2010	Change
-	4	-4	-	99,195	-99,195



Amount of Indemnifications (JD)		
Share of Indemnifications	2011	2010
Company Share	-	20,233
Re-Insurer Share	-	78,962
<b>Total Indemnifications</b>	-	<b>99,195</b>

Geographical Distribution Of Export Indemnifications During 2011

Area	Number of Indemnifications		Amount of Indemnifications (JD)	
	2011	2010	2011	2010
Middle East & Gulf	-	3	-	95,247
UK	-	1	-	3,948
<b>Total</b>	-	<b>4</b>	-	<b>99,195</b>

## RECOVERIES

### Loan Guarantee Recoveries During 2011 Vs. 2010

Programme	Number of Recoveries			Amount of Recoveries (JD)		
	2011	2010	Change	2011	2010	Change
SMEs Productive Loan Guarantee Programme	9	8	12.5%	19,235	70,279	-73%
Micro Loan Guarantee Programme	3	0	-	378	0	-
Housing & Personal Loan Guarantee Programme	11	5	120%	163,447	51,380	218%
Computers Loan Guarantee Programme	0	0	-	0	0	-
Industrial Loan Guarantee Programme (EJADA)	2	0	-	14,000	0	-
Leasing Loan Guarantee Programme (EJADA)	1	0	-	77,062	0	-
<b>Total</b>	<b>26</b>	<b>13</b>	<b>100%</b>	<b>274,122</b>	<b>121,659</b>	<b>43%</b>

### Export & Domestic Credit Guarantee Recoveries During 2011 Vs. 2010

Number of Recoveries			Amount of Recoveries (JD)		
2011	2010	Change	2011	2010	Change
-	-	-	-	-	-

## RE-SCHEDULING

### Guaranteed Loans Re\_scheduled During 2011 Vs. 2010

Programme	Number of Re-Scheduled Loans			Amount of Re-Scheduled Loans (JD)		
	2011	2010	Change	2011	2010	Change
SMEs Productive Loan Guarantee Programme	17	28	-39%	187,740	514,832	-63.53%
Housing & Personal Loan Guarantee Programme	35	40	-121.5%	901,358	1,432,591	-37.08%
Industrial Loan Guarantee Programme (EJADA)	5	7	-28.57%	1,156,448	1,208,482	-4.31%
Leasing Loan Guarantee Programme (EJADA)	3	8	-62.5%	746,231	2,060,065	-63.78%
<b>Total</b>	<b>60</b>	<b>83</b>	<b>-27.71%</b>	<b>2,991,777</b>	<b>5,215,970</b>	<b>-42.64%</b>

## DELAYED PAYMENTS ANALYSIS OF GUARANTEED LOANS at the end of 2011

ALL LOANS Payment delays						
Debt Delay Rating	Delay	Payments Overdue (JD)	Guaranteed Balance (JD)	Payments Overdue/ of Outstanding Loans	Guaranteed Balance / Outstanding Guaranteed Portfolio	Guaranteed Balance / Total Guaranteed Portfolio Historically
Early Warning	60-89 Days	215,917	1,748,382	0.31%	3.58%	1.04%
Below Average	90-179 Days	370,496	913,359	0.53%	1.87%	0.54%
Doubtful	180-359 Days	354,299	327,913	0.50%	0.67%	0.19%
Bad	Over 360 Days	931,581	763,841	0.55%	1.57%	0.45%
Balance of Outstanding Loans =		70,176,618				
Outstanding Guaranteed Portfolio =		48,773,496				
<b>Total Guaranteed Portfolio Historically = 168,756,853</b>						

SME & PRODUCTIVE LOANS Payment delays						
Debt Delay Rating	Delay	Payments Overdue (JD)	Guaranteed Balance (JD)	Payments Overdue/ of Outstanding Loans	Guaranteed Balance / Outstanding Guaranteed Portfolio	Guaranteed Balance / Total Guaranteed Portfolio Historically
Early Warning	60-89 Days	19,549	136,082	0.39%	3.86%	0.45%
Below Average	90-179 Days	70,809	90,278	1.42%	2.56%	0.30%
Doubtful	180-359 Days	116,899	114,534	2.34%	3.25%	0.38%
Bad	Over 360 Days	263,449	233,584	0.88%	6.63%	0.78%
Balance of Outstanding Loans =		4,985,283				
Outstanding Guaranteed Portfolio =		3,523,785				
<b>Total Guaranteed Portfolio Historically = 30,071,292</b>						



HOUSING & PERSONAL LOANS Payment delays						
Debt Delay Rating	Delay	Payments Overdue (JD)	Guaranteed Balance (JD)	Payments Overdue/ Balance of Outstanding Loans	Guaranteed Balance / Outstanding Guaranteed Portfolio	Guaranteed Balance / Total Guaranteed Portfolio Historically
Early Warning	60-89 Days	146,930	1,376,735	0.31%	3.94%	1.25%
Below Average	90-179 Days	211,178	462,436	0.44%	1.32%	0.42%
Doubtful	180-359 Days	135,375	126,530	0.28%	0.36%	0.12%
Bad	Over 360 Days	413,132	246,109	0.38%	0.70%	0.22%
Balance of Outstanding Loans =		47,867,493				
Outstanding Guaranteed Portfolio =		34,964,131				
<b>Total Guaranteed Portfolio Historically = 109,717,125</b>						

EJADA LOANS Payment delays						
Debt Delay Rating	Delay	Payments Overdue (JD)	Guaranteed Balance (JD)	Payments Overdue/ Balance of Outstanding Loans	Guaranteed Balance / Outstanding Guaranteed Portfolio	Guaranteed Balance / Total Guaranteed Portfolio Historically
Early Warning	60-89 Days	49,438	235,565	0.29%	2.29%	0.81%
Below Average	90-179 Days	88,509	360,645	0.51%	3.51%	1.24%
Doubtful	180-359 Days	102,025	86,849	0.59%	0.84%	0.30%
Bad	Over 360 Days	255,000	284,148	0.88%	2.76%	0.98%
Balance of Outstanding Loans =		17,323,842				
Outstanding Guaranteed Portfolio =		10,285,580				
<b>Total Guaranteed Portfolio Historically = 28,968,436</b>						

# FINANCIAL ACTIVITIES







## FINANCIAL ACTIVITIES

### Revenues

Operational Revenues in 2011 vs. 2010			
Revenue	JD		
	2011	2010	Change
Housing Loan Guarantee Fees	295,449	286,152	9,297
Productive Loan Guarantee Fees	67,784	77,629	-9,845
Working Capital Loan Guarantee Fees	0	5,137	-5,137
Industrial Finance & Leasing Loan Guarantee Fees	85,261	76,631	8,630
Export & Domestic Credit Guarantee Fees	192,363	140,843	51,520
<b>Total Operational Revenues</b>	<b>640,857</b>	<b>586,392</b>	<b>54,465</b>

Realized Financial Revenues in 2011 vs. 2010			
Revenue	JD		
	2011	2010	Change
Interest on Bank Deposits	415,678	389,464	26,214
Interest on Debentures	13,967	69,600	-55,633
Returns from Investment in Shares	48,000	79,423	-31,423
Interest from Investment in Bonds	88,298	0	88,298
Gain from Sale of Financial Assets	0	122,205	-122,205
<b>Total Realized Financial Revenue</b>	<b>565,943</b>	<b>660,692</b>	<b>-94,749</b>

Total Realized Revenues in 2011 vs. 2010			
Revenue	JD		
	2011	2010	Change
Operational Revenues	640,857	586,392	54,465
Realized Financial Revenues	565,943	660,692	-94,749
Un-needed Provisions	0	594,759	-594,759
Other Revenues	13,815	2,943	10,872
<b>Total Realized Revenue</b>	<b>1,220,615</b>	<b>1,844,786</b>	<b>-624,171</b>

Un-Realized Financial Revenues in 2011 vs. 2010			
Revenue	JD		
	2011	2010	Change
Financial assets measured at fair value through profit or loss revaluation	-47,115	5,296	52,411
<b>Total Un-Realized Financial Revenue</b>	<b>-47,115</b>	<b>5,296</b>	<b>52,411</b>



## Expenses & Profits

### General & Administrative Expenses in 2011 vs. 2010

Expense	JD		
	2011	2010	Change
Salaries and wages	553,780	525,205	28,575
JLGC's contribution in saving fund	48,819	46,837	1,982
JLGC's contribution in social security	50,315	43,548	6,767
Medical and insurance expenses	49,473	39,305	10,168
Employees bonus	0	21,030	-21,030
Board of Directors' transportation	45,367	47,061	-1,694
Rent	747	119,951	-119,204
Depreciation	57,033	95,562	-38,529
Obligations against terminated contracts	0	50,000	-50,000
Maintenance	7,511	5,375	2,136
Vehicle expenses	12,024	9,844	2,180
Marketing expenses	13,545	11,295	2,250
Professional fees	16,578	16,348	230
Official duties and training courses	21,987	23,985	-1,998
Stationary and printing	9,979	9,846	133
Subscriptions	28,656	29,772	-1,116
Post, telephone, electricity, & water	31,681	31,297	384
Other expenses	11,599	13,972	-2,373
<b>Total General and Administrative Expenses</b>	<b>959,094</b>	<b>1,140,233</b>	<b>-181,139</b>

### GROSS PROFIT IN 2011 vs. 2010

Gross Profit	JD		
	2011	2010	Change
Total Revenues	1,173,500	1,850,082	-676,582
(less) General and Administrative Expenses	959,094	1,140,233	-181,139
<b>Gross Profit / Loss</b>	<b>214,406</b>	<b>709,849</b>	<b>-495,443</b>

## Important Activities and Regional & International Meetings

### COFACE Annual Conference

The French Company (COFACE) held the annual Credit Alliance conference in Paris - France during the period January 17 to 18, 2011 to discuss matters of concern to credit guarantee companies around the world. The conference was attended by H.E. Dr. Jamal Salah, former director of the Jordan Loan Guarantee Corporation who was briefed on the latest developments in credit guarantee industry around the world.

### Political Risk Conference

COFACE organized an Export Political Risk Conference held in France on the 19<sup>th</sup> of January 2011. Types of risks faced by exporters were discussed during the conference meetings including the political risks of wars and revolutions.

These risks might lead to a lack of commitment by the importers to pay the value of the imported goods, in addition to the disruption of the payment systems in such countries. Other disruptions might be the sudden decline of the exchange rates of the currency of the importer's country or the cancelation of the currency acceptance all together.

Former Director General Dr. Jamal Salah attended the conference on behalf of Jordan Loan Guarantee Corporation.

### OECD Conference

The Organization for Economic Co-operation and Development (OECD) held a conference in Morocco during the period of 19<sup>th</sup>-25<sup>th</sup> February 2011, to emphasize the role of good governance in companies and institutions.

Mr. Mohannad Al Rashdan, Assistant Director General for Technical Affairs and Operations, attended the conference on behalf of the company.

The foundations of good governance and the latest developments relating to the application of these principles in various companies and organizations and its importance in activating the role of the administration, was discussed during the meeting.



## **Aman Union 2<sup>nd</sup> Meeting**

Dr. Mohammed al-Jafari, Director General of the Jordan Loan Guarantee Corporation, attended the second "Aman Union" meeting, held in Istanbul – Turkey during the period of 4<sup>th</sup>-5<sup>th</sup> October 2011. The meeting discussed developments of export credit guarantees and international standards of Export Credit Guarantee Organizations around the world.

Members discussed the individuality of their Export Credit Guarantee Schemes particularly with regard to guaranteeing export to areas of unrest and conflicts in the Arab countries.

During the second day, the Union's General Assembly meeting was held, as well as a report on the Union's database project was presented.

It is worth mentioning that the Aman Union includes Export Credit Guarantee Institutions in the Arab and Islamic states and is similar to the Berne Union in England which includes export guarantee institutions in developed countries.

## **Credit Alliance Meeting**

The Credit Alliance meeting was held in Istanbul - Turkey on 6 October 2011, and was attended on behalf of the Jordan Loan Guarantee Corporation by the Director General Dr. Mohammed al-Jafari accompanied with Mr. Zaid al-Kayed Head of the Export Credit Guarantee Department.

During the meeting, a comprehensive assessment of the country risks of the Middle East and North Africa and the performance of export credit guarantee institutions in the region under the current circumstances resulting from the events of the Arab spring.

The Jordan Loan Guarantee Corporation represented Jordan in the meeting which was attended by many credit guarantee institutions in many countries, including France, Cyprus, Turkey, Tunisia, Algeria, Kuwait, Saudi Arabia, among others.

## **Autumn 2011 meeting of the Prague Club**

The Fall 2011 meeting of the Prague Club was hosted by the Export Credit Guarantee Agency of Oman in Muscat - Sultanate of Oman during the period of 13<sup>th</sup> to 16<sup>th</sup> November, 2011.

In addition to the General Secretariat of the Berne Union, export credit agencies of more than 37 countries attended the meeting including Jordan represented by the Jordan Loan Guarantee Corporation.

As usual in the semi-annual meetings of the Prague Club, the latest developments in the Export Credit Guarantee industry were presented and discussed by the member countries.

In recent years, the Prague Club meetings and workshops organized by the General Secretariat of the Berne Union, have contributed greatly in determining sound professional credit insurance principles, and helped maintain discipline in the field of international trade. It also allowed exporters to not only expand their sales to their current customers, but also to explore new buyers in non-conventional markets around the world, and made aware how credit insurance cover work to mitigate credit risk. The existing global turmoil, including the Arab spring in the Middle East, as well as the impact of the European sovereign debt crisis, increased the demand for credit insurance cover provided by export credit agencies in many countries, including members of the Prague Club.

Meeting was attended by the Director General, Dr. Mohammed al-Jafari, and Assistant Director General for Technical Affairs and Operations, Mr. Mohannad al-Rashdan and Head of the Export Credit Guarantee Department, Mr. Zaid Kayed.

### **Euro-Mediterranean Loan Guarantee Initiative Meeting**

Dr. Mohammed al-Jafari Director General of the Jordan Loan Guarantee Corporation, attended a meeting to set up the Euro-Mediterranean Loan Guarantee Initiative, held in Barcelona - Spain on 1-2 December 2011.

This meeting is the first step to construct a roadmap for the establishment of a joint action and aims to promote the role of the loan guarantee mechanism to facilitate the financing of small and medium enterprises in the countries of the Mediterranean basin.

The first step will be identifying the strengths and weaknesses of existing Loan Guarantee schemes in the region by the exchange of best practices, and then establish a uniform loan guarantee system by the European Union and other donors to operate parallel to these existing schemes and be supportive to them.

## **Disclosure of the extent of applying the guidelines of the Guide on Corporate Governance of listed companies in the Amman Stock Exchange**

The Jordan Loan Guarantee Corporation abides by all rules and items of the Corporate Governance Guidelines, except:

• **Item 1:**

**Rule:** "The Board of Directors prepare an internal mandate which is reviewed on an annual basis, in which the functions, powers, and responsibilities of the Board are stated in detail."

*This item is applied in part and the reason is:*

There is an internal system, in which the functions, powers, and responsibilities of the Chairman and members of the Board of Directors are stated clearly, and it is updated whenever the need arises. The company complies as well with the Jordanian Companies Act and the instructions of the Jordan Securities Commission in this regard.



## Representation

1. The Board of Directors of the Jordan Loan Guarantee Corporation declares to the best of their knowledge that no material issues might influence the continuity of the Corporation during the upcoming fiscal year.

Chairman of the Board  
Dr. Maher "Sheikh Hasan"

Deputy Chairman  
Dr. Moh'd Al Jafari

Member

Member

Adel Assad

2. The Board of Directors of the Jordan Loan Guarantee Corporation declares its responsibility for preparing the financial statements and having an effective control & auditing system.

Chairman of the Board  
Dr. Maher "Sheikh Hasan"

Deputy Chairman  
Dr. Moh'd Al Jafari

Member

Member

Adel Assad

3. We the under signed declare that all Financial Statements and Information within this report is correct

Chairman of the Board  
Dr. Maher "Sheikh Hasan"

Deputy Chairman  
Dr. Moh'd Al Jafari

Assistant Director General for  
Support & Backing Group  
Mr. Faeq Nassar

## Financial Statements as at 31 December 2011 Together With Independent Auditors' Report

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