



JORDAN
LOAN GUARANTEE CORP.

The Small Business Company Of Jordan

Jordan Loan Guarantee Corporation

Sixteenth Annual Report 2009

Amman Chamber of Commerce Investment Building
Al Shmeisani - Prince Shaker Ben Zaid Street

Tel: 5625400

Fax: 5625408

P.O.Box 830703 Amman 11183 Jordan

email: mail@jlgc.com

www.jlgc.com



His Majesty King Abdullah II Bin Al-Hussein



His Royal Highness Crown Prince Hussein Bin Abdullah II

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

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

Headquarters

Amman Chamber of Commerce Investment Building
Al Shmeisani - Prince Shaker Ben Zaid Street
P.O.Box 830703 Amman 11183 Jordan
Tel: (962) (6) 562 5400
Fax: (962) (6) 562 5408
<http://www.jlgc.com>
mail@jlgc.com

Contents

Message from the Chairman	1
Message from the Director General	3
JLGC's Main Activities, Location, Number of Employees & Size of Capital Investment	5
The members of the Board of Directors names and the names and ranks of Senior Executive Management with a brief resume of each	6
Largest Shareholders. / JLGC's competitive position.	9
The extent of dependence upon specific suppliers and/or major clients. / Government Protection or Concession Granted to JLGC. / Any Decision by the Government with a material effect on JLGC	10
JLGC's Organizational Chart, Number of Employees their Qualifications, and Training programs	11
A description of the JLGC's risk exposure	12
JLGC's Accomplishments supported by Numbers	13
Summary of 2009 Results	14
All Loan Guarantee Programmes	16
Productive Loan Guarantee Programmes	17
Personal Loan Guarantee Programmes	18
Ceilings and Utilized Amounts	19
Exports Credit & Domestic Buyers Guarantee Programmes	20
Claims	22
Paid Indemnifications	23
Recoveries	24
Re-Scheduling	25
Financial Activities	26
Profits or Losses, Dividends, Shareholders' Net Equity and Prices of Securities. / Analysis of the JLGC's Financial Status	28
Proposed Future Plan	29
The privileges paid to the Chairman & the Board of Directors and to the Senior Executive Management	30
Important Regional & International Conferences attended by JLGC	32
The 2009 Financial Statements together with the Auditor's Report	35
Representation	59



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Message from the Chairman

I would like to extend my sincere thanks to all of you for attending the 16th Ordinary General Assembly meeting of the Jordan Loan Guarantee Corporation, and allow me to present to you the 16th annual report of 2009, which includes the achievements of JLGC and its operations and financial results, with the auditor's report and the future plan of JLGC.

Honorable Shareholders,

The Jordanian economy has the ability to adapt to both internal and external shocks and overcome their negative effects, because of the sound economic policies adopted; it has managed to achieve positive results on more than one level. Jordan also enjoys a modern banking system which provides various activities and services, and the ability to cope with domestic economic developments in terms of providing adequate credit to the business sector, and encourages domestic savings.

The Central Bank of Jordan continues its role of the overall control of banks, and develops an early warning system for these banks to identify weaknesses and imbalances and address ways to treat them early. In an attempt to alleviate the global financial crisis on the national economy, the central bank has since November 2008 adopted a number of expansionary monetary measures and in a prudent and incremental manner to face the repercussions of the global financial crisis on economic growth, such as a reduction in interest rates on various tools of the monetary policy, four times by 50 basis points each time, as well as reducing the compulsory cash reserve ratio on bank deposits three times during the same period to reach 7%, in addition to that, the central bank stopped issuing certificates of deposit since October 2008 and worked pumping more liquidity into the national economy.

According to the latest available indicators, the national economy showed positive results in terms of external sector indicators, and a number of monetary sector indicators, including growth in foreign reserves and declining current account deficit. On the other hand, and under the effect of the repercussions of the economic and global financial crises, there was a slowdown in real growth during 2009.

At the level of production and prices, the preliminary data for the first three quarters of 2009 noted a slow economic growth affected by the global financial and economic crisis as well, with the growth at market prices in the Real Gross Domestic Product during the same period of 2009 fixed by 2.7% compared with growth of 9.1 % during the same period in 2008, and attributed mainly to the decline in value of national exports by 20.9% during the same period, and to the slowing rate of growth of production in the service sectors. Also the annual Rate of Inflation over the past year decreased by 0.7% against a rise of 13.9% in 2008. The total amount of investments benefiting from the Investment Promotion Act in 2009 was JD 1859 million (from which 39.1% was accounted for foreign investments), compared with JD 2268 million in 2008.

In Public Finance, the Central Government Budget, after foreign aid, recorded a JD 972.9 million deficit during the first eleven months of 2009, compared with a JD 230 million deficit during the same period in

2008. The net balance of the Domestic Public Debt at the end of November 2009 rose from its level at the end of 2008 by JD 999 million to reach JD 5910 million (36.4% of GDP). And the Outstanding External Public Debt rose at the end of November 2009 from its level at the end of 2008 by JD 100.8 million to reach JD 3741 million (23.1% of GDP).

With regard to developments in the external sector, there was a decline in the total Exports in 2009 by 19.8% to JD 4519.7 million, as Imports also fell by 17.1% to JD 9993.5 million, and accordingly, the Trade Balance Deficit declined by 14.8% to JD 5473.8 million, compared with 2008 .

Honorable Shareholders,

In 2009 JLGc continued its achievements of the various guarantee programs, and was able to provide guarantees for 420 loans granted by commercial banks that amounted to JD 18.3 million, with a guaranteed value of JD 10.9 million. While in support of national exports JLGc has managed 1105 shipments for a guaranteed valued of JD 45.9 million.

With regard to the financial performance of JLGc in 2009, the Total Revenue rose to become about JD 2 million, compared with JD 1.4 million in 2008 with an increase of JD 578 thousand. The results of the 2009 showed a Gross Profit amounted to JD 1.22 million compared to a loss of JD 957 thousand in 2008, while the Unrealized Profit reached JD 141.3 thousand resulting from the revaluation of financial assets for trading against an Unrealized Loss of JD 1.356 million in 2008.

We look forward in 2010 to continue the work to expand and develop the services of the Jordan Loan Guarantee Corporation, to achieve its vision and mission aimed at supporting Jordanian SMEs & the National Exports.

Honorable Shareholders,

Finally, Let me on your behalf; convey to Members of the Board, the Director General and all employees of the Jordan Loan Guarantee Corporation, my gratitude for their efforts in achieving the goals of JLGc, hoping that the Lord Almighty preserve Jordan under the leadership of His Majesty King Abdullah II.

Mohammad Said Shahin
Chairman of the Board



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Message from the Director General

I am pleased to present to you the 16th Annual Report of the Jordan Loan Guarantee Corporation, including all our activities in 2009 and the results achieved during the year.

JLGc continues to implement the strategy of focusing on granting guarantees for the Productive Loans and reducing the size of the Personal Loans portfolio, in furtherance of its main objectives of facilitating the financing process for productive SMEs by covering their loans from banks and financial institutions. The guaranteed portfolio of Productive Loans amounted to JD 11.6 million at the end of 2009, compared with JD 9.5 million in 2008, and the guaranteed portfolio of Personal Loans decreased from JD 35.7 million in 2008 to JD 32.6 million in 2009.

During 2009, Productive Loan Guarantees executed and under execution increased to 245 loans for a guaranteed value of JD 6.6 million, comparing to 132 guaranteed loans for a value of JD 5.7 million in the year 2008, with an increase of JD 0.9 million. While there was a decrease in Guaranteed Personal Loans executed and under execution from 175 loans for a guaranteed value of JD 4.2 million during 2009, to 1951 loans for a guaranteed value of JD 6.7 million during 2008.

By the end of 2009 the overall outstanding guaranteed portfolio for all loan guarantee programmes both Productive and Personal loan guarantees totalled 2861 loans, for a guaranteed value of JD 44.3 million, comparing with 3857 loans with a guaranteed value of JD 45.2 million last year. Also during the year 2009, a total of 420 loan guarantees was granted for a guaranteed value of JD 10.9 million comparing with 2083 loans for a guaranteed value of JD 12.4 million in 2008.

JLGc continued its support for Jordanian Exporters through its Exports Credit Guarantee Program by covering the commercial and political risks of their exports, where the total sum of guaranteed shipments during 2009 was 1105 shipments for a guaranteed value of JD 45.9 million, comparing to 1682 shipments for a guaranteed value of JD 82.0 million in 2008 . By the end of the year 2009 the outstanding guaranteed portfolio was 140 shipments for a guaranteed value of JD 8 million, compared to 209 outstanding guaranteed shipments for a guaranteed value of JD 15.8 million at the end of the year 2008, and that was due to the current economic recession that affected the overall Jordanian Exports.

JLGc has received 19 claims during 2009 from the participating banks for defaulted loans for a value of JD 292 thousand, compared with 16 claims for a value of JD 255 thousand last year, in addition to one claim under the Industrial Finance Programme (EJADA) in 2009, valued at JD 13 thousand, compared with one claim in 2008, for a value of JD 82.5 thousand. Claims under the Export & Domestic Credit Guarantee Programmes this year were about JD 63 thousand, compared with JD 12 thousand in 2008.

As for Indemnifications paid to participating banks in 2009 were JD 114.3 thousand, compared with JD 189.4 last year in addition to JD 82.6 thousand paid for guaranteed loans under the Industrial Finance Programme (EJADA), compared with JD 215.5 thousand in 2008. While the Export & Domestic Credit Guarantee Programmes had no indemnifications this year compared with JD 25.7 thousand compensated for stalled shipments last year.

With regard to the financial performance of the Corporation, despite the decline in operating revenue from fees collected for guarantees granted from JD 651 thousand in 2008 to JD 566 thousand in 2009, total revenue rose in 2009 to reach about JD 2 million, compared with JD 1.4 million in 2008, an increase of JD 578 thousand, while unrealized profits amounted to JD 141.3 thousand in 2009 resulting from the revaluation of financial assets for trading against an unrealized loss of JD 1.356 million last year. The 2009 results showed a gross profit of JD 1.22 million, compared to an overall loss of JD 957 thousand in 2008.

JLGC will continue to work diligently to facilitate the financing of small and medium enterprises on the one hand and to promote Jordanian exports on the other hand within the general policy of the government to support these important sectors, calling for the God Almighty to protect our country under the patronage of His Majesty King Abdullah II Bin Al Hussein may Allah protect him.

Dr. Jamal Salah
Director General

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

a. JLGC's Main Activities

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

- Loan Guarantee Programme for Small & Medium Size Enterprises (SMEs)
- Industrial Modernization Loan Guarantee Programme - EJADA
- Leasing Loan Guarantee Programme - EJADA
- Enhanced Productivity Loan Guarantee Programme - IRADA
- Working Capital Loan Guarantee Programme
- Taxi and Service Car Purchase Loan Guarantee Programme

2 - PERSONAL LOAN GUARANTEE PROGRAMMES

- Housing Loan Guarantee Programme
- Urban Development Housing Loan Guarantee Programme
- Land Purchase Loan Guarantee Programme
- Computer Loan Guarantee Programme

II. EXPORT & DOMESTIC CREDIT GUARANTEE PROGRAMMES

EXPORT CREDIT GUARANTEE PROGRAMME

DOMESTIC CREDIT GUARANTEE PROGRAMME

b. JLGC's Location & Number of Employees

- JLGC offices are located in the Investment Building of the Amman Chamber of Commerce across from the Arab Bank building in Shmeisani Area in Amman.
- The JLGC programmes and services are run by a staff of 39 employees in 2009.
- There are no other branches for JLGC in or outside Jordan.

c. Size of Capital Investment

Total size of capital investment in 2009 amounted to JD 3,170,132 compared to JD 149,977 in 2008.

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

There are no subsidiary companies or any branches within or outside the Kingdom.



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

Mr. "Mohammad Said" Mohammed Shahin
Chairman

- Born 1948
- Masters in Public Administration (Economic Development) Harvard University 1978
- Bachelor Degree in Economics 1973
- Deputy Governor of Central Bank of Jordan 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
- Assistant Head of the Investment Department at the Central Bank of Jordan
- Employee / Acting Section Head / Section Head of the Investment Department at the Central Bank of Jordan

Mr. Mohammad Mousa Dawood *until 30 June 2009*
Deputy Chairman

- Born 1956
- Bachelor Degree in Mathematics 1978
- Manager of Commercial Credit in the Arab Bank
- Manager of Credit in the Arab Bank in Jordan & Palestine
- Financial Analyst in The Arab Bank

Mr. Mohammad Sadeq Al Hasan *since 1 July 2009*
Deputy Chairman

- Born 1963
- Masters Degree in Economics / American University of Cairo 1990
- Manager of Investment Department in the Arab Bank / since 2004
- Head of Project Financing unit in the Arab Bank / 2004
- Economic Researcher in The Arab Bank / 1991-2004

Mr. Mo'taz Ibrahim Barbour
Board Member

- Born 1953
- Bachelor Degree in Accounting / High Diploma in Banking Studies
- General Controller and Executive Manager in the Investment and External Operations Department in the Central Bank of Jordan
- Executive Manager Assistant in the Investment and External Operations Department in the Central Bank of Jordan

Dr. Ibrahim Mohammad Nsour
Board Member

- Born 1953
- PhD in Economics 1984
- General Manager of the Cities & Villages Development Bank since 1999
- Deputy General Manager of the Agricultural Credit Corporation
- Head of Research & Banks Supervision Department in the Central Bank of Jordan

Mr. Adel Ibrahim Asa'ad
Board Member

- Born 1967
- MBA from Saint David's University / USA 1993
- Currently Manager for Credit Auditing at the Housing Bank
- Manager of Risk Management at the Housing Bank / 2003-2007
- Worked in Citizens Bank / 2001-2002
- LCs, Transfers, & Internal Auditing at the Housing Bank / 1994-2001

Mr. Salah Ahmed Al Momany *until 14 March 2009*
Board Member

- Born 1951
- Bachelor Degree in Nursing 1976
- Irbid Branch Manager of the Social Security Corporation
- Assistant Manager of the Amman Branch & Assistant Manager of the Retirement & Compensation Department & Section Head at the Social Security Corporation. Arab American Co. (Aramco) in Saudi Arabia.
- Ministry of Health Jordan

Mr. Ramzi Aref Dahabreh *since 15 March 2009*

Board Member

- Born 1962
- 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. Khaled Mohammad Najjar *until 15 February 2009*

Board Member

- Born 1964
- Bachelor Degree in Accounting 1985 High Diploma in Accounting 1990
- Loan executive Manager in the Industrial Development Bank
- Banking Experience in the Jordan Kuwait Bank, Bank of Jordan and Jordan Gulf Bank

Mr. Zaidan Ahmad Younes *since 16 February 2009*

Board Member

- Born 1950
- Bachelor Degree in Mechanical Engineering 1975
- High Diploma in Banking Studies 1979
- High Diploma in Industrial Engineering / Jordan University 1990
- General Manager of Al-Mutarabetah Investment Company since 2009
- Previously Acting General Manager of the Industrial Development Bank

b. Upper Management

Dr. Jamal Mohammad Salah

Director General - Since 1st June 2008

- Born 1947
- 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
- Secretary General / Ministry of Planning / Jan 2001 - July 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 Rafeq Nassar

Assistant Director General for Support & Backing Group

- Born 1957
- 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 / Housing Bank for Trade and Finance
- Credit Officer at the Arab Land Bank
- With JLGC since Feb. 1 1996

Mr. Mohannad Mohammad Al Rashdan

Assistant Director General for Technical & Operational Group

- Born 1968
- 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 Lutfi Al Jafari

Loan Guarantee Department Manager

- Born 1964
- Bachelor Degree in accounting 1998
- Accountant in the Jordan Distribution Agency
- With JLGC since Jan 1 1995

4 – Largest Shareholders

The names of JLGC's large shareholders in 2009 and the number of shares owned by each of them where such constitutes (5 %) or more in comparison with the previous year

Shareholder	Number of Shares 2009	% of Share 2009	% of Share 2008
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 guarantees in Jordan therefore there is no competition in the country, on the other hand there are similar corporations in other Arab countries that guarantee Jordanian exports.

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 using the services offered by the Jordan Loan Guarantee Corporation have the following privileges from the Central Bank:

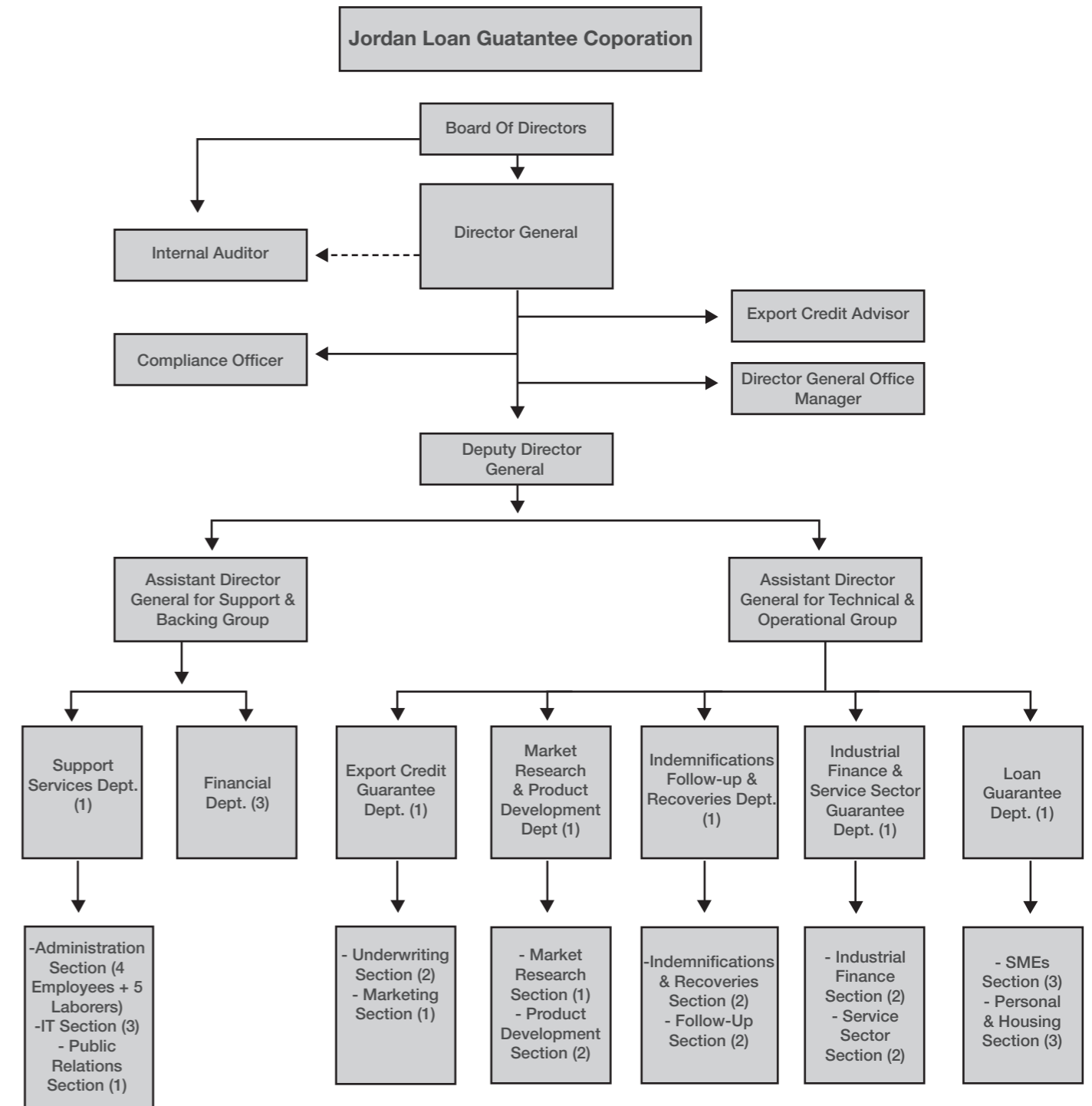
- Loans Guaranteed by JLGC are considered Good loans for which general provisions required by the Central Bank of Jordan are waived throughout the life of the loan, as for default loans provisions are waived for the first year of default but to be generated from the second year
- The portion of the participating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

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

A . Organizational Chart at the end of 2009



B. Number of Employees and their Qualifications at the end of 2009

The Number of employees in 2009 was 39 compared to 38 employees in 2008, with their qualifications as follows:

YR	PhD	Master Degree	High Diploma	Bachelor Degree	Junior College	Institute	High School	Less than High School	Total
2009	2	5	1	21	3	0	5	2	39
2008	1	3	1	24	3	0	4	2	38

Positions are filled through the employment committee and the approval of the Director General and through the Board of Director's decision for upper management positions. Employee turnover reached a 21 % in 2009 compared with 24 % in 2008.

C. Employee Training in 2009

To increase employee's technical and administrative qualifications, JLGC nominated 13 employees in 2009 for 18 internal training courses and 2 employees for 3 external for a total cost of JD 4,898.



10. A description of JLGC's risk exposure

Since the nature of JLGC's work is providing guarantees for the loan risks of the small and medium sized enterprises as well as the risks of export credit, the Corporation is exposed to the risk of default for these SME loans and the risk of non-payment of foreign importers of the Jordanian exports. In 2009 JLGC's paid amounts for default guarantees reached JD 196,990 compared to JD 477,411 in 2008.

11. JLGC's Accomplishments supported by Numbers

The global financial crisis has its implications on various aspects of the global economy, despite the stimulus measures being taken by governments and central banks to address the issue. Although these crises present a stimulating environment throughout the world to activate the credit guarantee industry, never the less, commercial banks reservations in granting credit facilities had its impact on the operational results of the Jordan Loan Guarantee Corporation. The total outstanding guaranteed portfolio for both loans and exports credit guarantees decreased in 2009 by JD 8.6 million, to reach JD 52.3 million, compared with JD 60.9 million last year, which was reflected on the operating revenues from fees collected on the guaranteed amounts, which fell from JD 651 thousand in 2008 to JD 566 thousand in 2009. Although there was an increase in value of ceilings granted to the banks from JD 80.9 million in 2008 to JD 86.9 million in 2009, with an increase of JD 6 million.

The total number of outstanding guaranteed portfolio of all the various Loan Guarantee Programs, which include both the Productive and Personal Loan programmes, was 2861 loans with a total guaranteed value of JD 44.3 million at the end of 2009, compared with 3857 loans valued at JD 45.2 million guaranteed at the end of last year. During 2009 JLGC guaranteed 420 loans for a value of JD 10.9 million, compared to 2083 loans for a value of JD 12.4 million in 2008.

In view of the policy to focus on Productive Loan guarantees and reduce the size of the Personal Loans portfolio, which mainly consist of Housing Loan guarantees, the total outstanding portfolio for the Productive Loan Guarantee Programmes increased at the end of 2009 to JD 11.6 million, compared with JD 9.5 million in 2008, while the outstanding portfolio for Personal Loan dropped from JD 35.7 million in 2008 to JD 32.6 million in 2009.

The number of guarantees executed and under execution to Productive Loans during 2009 increased to 245 loans for a value of JD 6.6 million, compared to 132 loans valued at JD 5.7 million, for an increase of JD 0.9 million from last year. On the other hand JLGC in 2009 offered guarantees to 175 loans with a value of JD 4.2 million, compared with 1951 loans for a guaranteed value of JD 6.7 million in 2008.

Under the Export and Domestic Credit Guarantees, the number of guaranteed shipments were 1105 shipments in 2009 with value of JD 45.9 million, compared with 1682 shipments and value of JD 82.0 million in 2008, and at the end of 2009 the outstanding guaranteed portfolio was 140 shipments for value of JD 8 million compared to 209 shipments and value of JD 15.8 million at the end of 2008. This decrease is attributed to the recession in the export markets affected by the global financial crisis which led to the overall decline in Jordan's exports.

During 2009 JLGC received 19 claims from participating banks for defaulted loans for a value of JD 292 thousand, compared with 16 claims valued at JD 255 thousand last year, in addition to one claim under the Industrial Finance Program (EJADA) in 2009, valued at JD 13 thousand, compared with one claim as well in 2008, valued at JD 82.5 thousand. The Export & Domestic Credit Guarantee claims for non paid shipments this year were JD 63 thousand, compared with JD 12 thousand in 2008. As for the indemnifications paid to the banks in 2009 were JD 114.3 thousand, compared with JD 189.4 last year in addition to JD 82.6 thousand for the Industrial Finance Program (EJADA), compared with JD 215.5 thousand in 2008. While there were no indemnifications paid under the Export & Domestic Credit Guarantee programme, compared with JD 25.7 thousand paid for stalled shipments last year. On the other hand JLGC recovered JD 150 thousand, compared to the recovery of JD 113 thousand last year.

With regard to the financial performance of the Jordan Loan Guarantee Corporation in general, the total revenues * in 2009 were about JD 2.0 million, compared with JD 1.4 million in 2008, with an increase of JD 578 thousand, while the unrealized profits resulting from the revaluation of Financial assets for trading reached JD 141.3 thousand in 2009 against an unrealized loss of JD 1.356 million last year. The results in 2009 showed an increase in gross profit of JD 1.22 million, compared to an overall loss of JD 957 thousand in 2008.

Summary of 2009 Results			
TOTAL GUARANTEED PORTFOLIO at the End of 2009 vs. 2008			
	2009	2008	Change
Total Loan Guarantee Portfolio	44,311,692	45,207,384	(895,692)
Total Credit Guarantee Portfolio	8,012,149	15,786,235	(7,774,086)
TOTAL PORTFOLIO	52,323,841	60,993,619	(8,669,778)
TOTAL CEILINGS OFFERED TO BANKS in 2009 vs. 2008			
	2009	2008	Change
Productive Loans Ceilings	42,188,748	34,600,842	7,587,906
Personal Loans Ceilings	44,767,000	46,319,000	(1,552,000)
TOTAL CEILINGS	86,955,748	80,919,842	6,035,906
FINANCIAL RESULTS in 2009 vs. 2008			
	2009	2008	Change
Operational Revenues	566,008	651,378	(85,370)
Realized Financial Revenues	1,407,968	725,921	682,047
Other Revenues	11,589	29,419	(17,830)
Total Realized Revenues	1,985,565	1,406,718	578,847
Unrealized Revenues (Valuation of Trading Securities)	141,345	(1,356,419)	1,497,764
Total Revenues	2,126,910	50,299	2,076,611
General and Administrative Expenses	903,182	1,007,429	(104,247)
Gross Profit / Loss (Unrealized)	1,223,728	(957,130)	2,180,858

* Note: Some figures contained in the 2008 annual report have been reclassified to match the figures in the 2009 annual report and did not have any impact on the profit for the year

LOAN GUARANTEES in 2009 vs. 2008		
Loans Executed & Under Execution During the Year		
Number of Loans	2009	2008
Productive loans	245	132
Personal Loans	175	1,951
Total	420	2,083
Loan Values	2009	2008
Productive loans	12,067,341	10,228,117
Personal Loans	6,268,565	9,378,613
Total	18,335,906	19,606,730
Guaranteed Values	2009	2008
Productive loans	6,636,590	5,736,641
Personal Loans	4,285,019	6,718,653
Total	10,921,609	12,455,294

Guaranteed Portfolio Outstanding at the End of the Year		
Number of Loans	2009	2008
Productive loans	483	376
Personal Loans	2,378	3,481
Total	2,861	3,857
Loan Values	2009	2008
Productive loans	40,979,303	32,109,549
Personal Loans	44,663,447	48,766,665
Total	85,642,750	80,876,214
Guaranteed Values	2009	2008
Productive loans	11,675,841	9,510,746
Personal Loans	32,635,851	35,696,638
Total	44,311,692	45,207,384

Claims in 2009 vs. 2008		
	2009	2008
Loan Guarantee Claims	292,429	255,097
Industrial Finance Claims	13,150	82,597
Exports Claims	63,441	12,124
Total Claims	369,020	349,818

Indemnifications in 2009 vs. 2008		
	2009	2008
Loan Guarantee Indemnifications	114,382	189,427
Industrial Finance Indemnifications	82,598	215,511
Exports Indemnifications	0	25,752
Total Indemnifications	196,980	430,690

EXPORT & DOMESTIC CREDIT GUARANTEES in 2009 vs. 2008		
Guaranteed Shipments During the Year		
Number of Shipments	2009	2008
Export Credit	1,035	1,570
Domestic Credit	70	112
Total	1,105	1,682
Shipment Values	2009	2008
Export Credit	51,469,000	87,201,505
Domestic Credit	4,402,127	4,972,653
Total	55,871,127	92,174,158
Guaranteed Values	2009	2008
Export Credit	41,893,120	77,350,333
Domestic Credit	4,076,365	5,010,661
Total	45,969,485	82,360,994

Guaranteed Portfolio Outstanding at the End of the Year		
Number of Shipments	2009	2008
Export Credit	125	199
Domestic Credit	15	10
Total	140	209
Shipment Values	2009	2008
Export Credit	7,891,465	16,407,100
Domestic Credit	1,010,923	1,133,160
Total	8,902,388	17,540,260
Guaranteed Values	2009	2008
Export Credit	7,102,318	14,766,390
Domestic Credit	909,831	1,019,845
Total	8,012,149	15,786,235

Recoveries in 2009 vs. 2008		
	2009	2008
Loan Guarantee Recoveries	123,845	90,926
Industrial Finance Recoveries	0	22,966
Exports Recoveries	26,300	0
Total Recoveries	150,145	113,892

Re-Scheduling in 2009 vs. 2008		
	2009	2008
Loan Guarantee Re-Scheduling	1,058,521	693,187
Industrial Finance Re-Scheduling	255,058	705,304
Exports Re-Scheduling	-	-
Total Re-Scheduling	1,313,579	1,398,491

* Note: Some figures contained in the 2008 annual report have been reclassified to match in the figures the 2009 annual report and did not have any impact on the profit for the year

LOAN GUARANTEE PROGRAMMES

All Loan Guarantee Programmes

ALL LOAN GUARANTEES EXECUTED AND UNDER EXECUTION DURING 2009 VS. 2008

Programme	Number of Loans		Value of Loans		Guaranteed Value	
	2009	2008	2009	2008	2009	2008
Productive Loans	245	132	12,067,341	228,117, 10	6,636,590	5,736,641
Personal Loans	175	1951	6,268,565	9,378,613	4,285,019	6,718,653
Total	420	2083	18,335,906	19,606,730	10,921,609	12,455,294

OUTSTANDING PORTFOLIO FOR ALL LOAN GUARANTEES AT THE END OF 2009 VS. 2008

Programme	Number of Loans		Value of Loans		Guaranteed Value	
	2009	2008	2009	2008	2009	2008
Productive Loans	483	376	40,979,303	32,109,549	11,675,841	9,510,746
Personal Loans	2378	3481	44,663,447	48,766,665	32,635,851	35,696,638
Total	2861	3857	85,642,750	80,876,214	44,311,692	45,207,384

Productive Loan Guarantee Programmes

PRODUCTIVE LOANS EXECUTED & UNDER EXECUTION DURING 2009 VS. 2008

Programme	Number of Loans		Value of Loans		Guaranteed Value	
	2009	2008	2009	2008	2009	2008
SME Loan Guarantee Programme*	210	83	1,643,195	2,329,100	1,194,947	1,632,226
Working Capital Loan Guarantee Programme	1	16	215,940	268,817	169,243	210,155
Industrial Finance Loan Guarantee Programme	12	19	3,036,500	3,311,000	1,816,600	1,645,200
Leasing Loan Guarantee Programme	22	14	7,171,706	4,319,200	3,455,800	2,249,060
All Productive Loans	245	132	12,067,341	10,228,117	6,636,590	5,736,641

* Including Car Loan & Micro Loan Guarantee Programmes

OUTSTANDING PORTFOLIO FOR PRODUCTIVE LOAN GUARANTEES AT THE END OF 2009 VS. 2008

Programme	Number of Loans		Value of Loans		Guaranteed Value	
	2009	2008	2009	2008	2009	2008
All Productive Loan Guarantee Programmes	483	376	40,979,303	32,109,549	11,675,841	9,510,746

Personal Loan Guarantee Programmes

PERSONAL LOANS EXECUTED & UNDER EXECUTION DURING 2009 VS. 2008

Programme	Number of Loans		Value of Loans		Guaranteed Value	
	2009	2008	2009	2008	2009	2008
Housing Loan Guarantee Programme	174	214	6,267,850	7,925,844	4,284,411	5,665,107
Land Purchase Loan Guarantee Programme	0	8	0	445,700	0	199,313
Computer Loan Guarantee Programme	1	1729	715	1,007,069	608	854,233
All Personal Loans	175	1951	6,268,565	9,378,613	4,285,019	6,718,653

OUTSTANDING PORTFOLIO FOR PERSONAL LOAN GUARANTEES AT THE END OF 2009 VS. 2008

Programme	Number of Loans		Value of Loans		Guaranteed Value	
	2009	2008	2009	2008	2009	2008
All Personal Loan Programmes	2,378	3,481	44,663,447	48,766,665	32,635,851	35,696,638

CEILINGS and UTILIZED AMOUNTS

ALL LOAN GUARANTEE PROGRAMMES IN 2009 VS. 2008

Programme	Ceiling (JD)		Change From Last Year (JD)	Utilized (JD)		% Utilized	
	2009	2008		2009	2008	2009	2008
Productive Loan Guarantees Programmes	42,188,748	34,600,842	7,587,906	11,676,141	9,424,862	27.68%	27.20%
Personal Loan Guarantee Programmes	44,767,000	46,319,000	(1,552,000)	32,646,838	35,696,638	72.93%	77.10%
All Loan Guarantee Programmes	86,955,748	80,919,842	6,035,906	44,322,979	45,121,500	50.97%	55.80%

PRODUCTIVE LOAN GUARANTEE PROGRAMMES IN 2009 VS. 2008

Programme	Ceiling (JD)		Change From Last Year (JD)	Utilized (JD)		% Utilized	
	2009	2008		2009	2008	2009	2008
SMEs & Car Loan Guarantee Programmes	5,123,700	5,052,000	71,700	2,789,782	2,503,963	54.45%	49.60%
Working Capital Loan Guarantee Programme	215,940	265,940	(50,000)	169,243	124,271	78.38%	46.70%
Industrial Finance Loan Guarantee Programme	24,793,481	22,968,981	1,824,500	4,580,649	4,634,974	18.48%	20.20%
Leasing Loan Guarantee Programme	12,055,627	6,313,921	5,741,706	4,136,467	2,161,654	34.31%	34.20%
All Productive Loan Guarantee Programmes	42,188,748	34,600,842	7,587,906	11,676,141	9,424,862	27.68%	27.20%

PERSONAL LOAN GUARANTEE PROGRAMMES IN 2009 VS. 2008

Programme	Ceiling (JD)		Change From Last Year (JD)	Utilized (JD)		% Utilized	
	2009	2008		2009	2008	2009	2008
Housing & Land Purchase Loan Guarantee Programmes	44,767,000	45,319,000	(552,000)	32,622,581	35,219,138	72.9%	77.70%
Computer Loan Guarantee Programme *	0	1,000,000	(1,000,000)	24,257	477,500	-	47.80%
All Personal Loan Guarantee Programmes	44,767,000	46,319,000	(1,552,000)	32,646,838	35,696,638	72.9%	77.10%

* No ceiling is granted and fees are taken on the utilized amount

EXPORT & DOMESTIC CREDIT GUARANTEE PROGRAMMES

CONTRACTS SIGNED DURING 2009 VS. 2008

Programme	Number of Contracts		Value of Contracts (JD)	
	2009	2008	2009	2008
Export Credit Guarantees	24	20	118,389,379	101,331,692
Domestic Credit Guarantees	4	5	21,939,000	19,787,700
TOTAL CREDIT GUARANTEES	28	25	140,328,379	121,119,392

SHIPMENTS GUARANTEED DURING 2009 VS. 2008

Programme	Number of Shipments		Value of Shipments (JD)		Guaranteed Value (JD)	
	2009	2008	2009	2008	2009	2008
Export Credit Guarantees	1035	1570	51,469,000	87,201,505	41,893,120	77,350,333
Domestic Credit Guarantees	70	112	4,402,127	4,972,653	4,076,365	4,682,254
TOTAL CREDIT GUARANTEES	1105	1682	55,871,127	92,174,158	45,969,485	82,360,994

SHIPMENTS OUTSTANDING AT THE END OF 2009 VS. 2008

Programme	Number of Shipments		Value of Shipments (JD)		Guaranteed Value (JD)	
	2009	2008	2009	2008	2009	2008
Export Credit Guarantees	125	199	7,891,465	16,407,100	7,102,318	14,766,390
Domestic Credit Guarantees	15	10	1,010,923	1,133,160	909,831	1,019,845
TOTAL CREDIT GUARANTEES	140	209	8,902,388	17,540,260	8,012,149	15,786,235

SECTORIAL DISTRIBUTION OF GUARANTEED SHIPMENT in 2009 vs. 2008

Sector	2009 %	2008 %
Fertilizers	55.7%	68.30%
Food	12.29%	8.40%
Textile & Clothing	14.26%	5.40%
Hygienic paper	7.07%	5.20%
Metal	1.28%	4.50%
Chemical	2.17%	2.70%
Fruits & Vegetables	1.96%	2.00%
Air Conditioning	1.24%	1.70%
Office Furniture	3.34%	1.40%
Medicine	0%	0.10%
Stone	0.56%	0.10%
Printing	0%	0.01%
Cosmetics	0.13%	0%
TOTAL	100%	100%

GEOGRAPHICAL DISTRIBUTION OF GUARANTEED SHIPMENT in 2009 vs. 2008

Geographical Area	2009 %	2008 %
Far East	43.58%	41.20%
Europe	7.38%	26.30%
Middle East & Gulf	31.33%	22.60%
USA & Canada	15.78%	6.00%
UK	1.18%	2.10%
Africa	0.70%	1.80%
TOTAL	100%	100%

CLAIMS

CLAIMS DURING 2009 vs. 2008

Number of Claims			Amount of Claims		
2009	2008	Change	2009	2008	Change
19	16	3	292,429	255,097	37,332

CLAIMS DURING 2009 vs. 2008 by BANK

BANK	2009 Claims Amount	2008 Claims Amount
Ahli Bank	71,814	6,544
Housing Bank for Trade & Finance	0	19,863
Egyptian Arab Land Bank	5,553	19,705
Cairo Amman Bank	160,603	115,379
Arab Bank	0	53,638
Industrial Development Bank	0	39,967
Bank of Jordan	54,459	0
Total Bank Claims	292,429	255,096

EJADA CLAIMS DURING 2009 vs. 2008

Number of Claims			Amount of Claims		
2009	2008	Change	2009	2008	Change
1	1	0	13,150	82,597	(69,447)

EJADA CLAIMS DURING 2009 vs. 2008 by BANK

BANK	2009 Claims Amount	2008 Claims Amount
Ahli Bank	0	82,597
ABC	13,150	0
Total Bank Requests	13,150	82,597

EXPORTS CLAIMS DURING 2009 vs. 2008

Number of Claims			Amount of Claims		
2009	2008	Change	2009	2008	Change
8	11	(3)	63,441	12,124	51,317

PAID INDEMNIFICATIONS

PAID INDEMNIFICATIONS DURING 2009 vs. 2008

Number of Indemnifications			Amount of Indemnifications		
2009	2008	Change	2009	2008	Change
7	14	(7)	114,382	189,427	(75,035)

PAID INDEMNIFICATIONS DURING 2009 vs. 2008 by BANK

BANK	2009 Paid Amount	2008 Paid Amount
Bank of Jordan	0	99,124
Housing Bank for Trade & Finance	2,477	6,505
Egyptian Arab Land Bank	16,447	14,271
Cairo Amman Bank	94,229	57,368
Industrial Development Bank	0	12,160
Ahli Bank	1,228	0
Total Bank Requests	114,382	189,427

EJADA'S PAID INDEMNIFICATIONS DURING 2009 vs. 2008

Number of Indemnifications			Amount of Indemnifications		
2009	2008	Change	2009	2008	Change
1	1	0	82,598	215,511	(132,913)

EJADA'S PAID INDEMNIFICATIONS DURING 2009 vs. 2008 by BANK

BANK	2009 Paid Amount	2008 Paid Amount
Arab Bank	0	215,511
Ahli Bank	82,598	0
Total Bank Requests	82,598	215,511

EXPORTS PAID INDEMNIFICATIONS DURING 2009 vs. 2008

Number of Indemnifications			Amount of Indemnifications		
2009	2008	Change	2009	2008	Change
0	2	(2)	0	25,752	(25,752)

RECOVERIES

RECOVERIES DURING 2009 vs. 2008

Number of Recoveries			Amount of Recoveries		
2009	2008	Change	2009	2008	Change
21	26	(5)	123,845	90,926	32,919

RECOVERIES DURING 2009 vs. 2008 by BANK

BANK	2009 Recoveries Amount	2008 Recoveries Amount
Ahli Bank	423	1,757
Bank of Jordan	42,161	25,839
Housing Bank for Trade & Finance	12,504	15,726
Arab Bank	0	16,894
Jordan Commercial Bank	429	525
Industrial Development Bank	7,336	28,164
ABC	0	588
Philadelphia Investment Bank	0	1,433
Egyptian Arab Land Bank	17,573	0
Cairo Amman Bank	43,420	0
Total Bank Recoveries	123,845	90,926

EJADA RECOVERIES DURING 2009 vs. 2008

Number of Recoveries			Amount of Recoveries		
2009	2008	Change	2009	2008	Change
0	1	(1)	0	22,966	(22,966)

EJADA RECOVERIES DURING 2009 vs. 2008 by BANK

BANK	2009 Recoveries Amount	2008 Recoveries Amount
ABC Bank	0	22,966
Total Bank Recoveries	0	22,966

EXPORTS RECOVERIES DURING 2009 vs. 2008

Number of Recoveries			Amount of Recoveries		
2009	2008	Change	2009	2008	Change
2	0	2	26,300	0	26,300

RESCHEDULING

RE-SCHEDULED LOANS DURING 2009 vs. 2008

Number of Re-Scheduled Loans			Amount of Re-Scheduled Loans		
2009	2008	Change	2009	2008	Change
42	29	13	1,058,521	693,187	365,334

RE-SCHEDULED LOANS DURING 2009 vs. 2008 by BANK

BANK	2009 Re-Scheduled Loans Amount	2008 Re-Scheduled Loans Amount
Bank of Jordan	161,459	10,826
Housing Bank for Trade & Finance	0	31,354
Egyptian Arab Land Bank	16,038	24,910
Cairo Amman Bank	484,360	413,938
Arab Bank	37,500	38,713
Industrial Development Bank	82,890	115,821
ABC Bank	2,891	28,200
Societe General	56,300	29,425
Ahli Bank	201,028	0
Commercial Bank	3,946	0
Jordan Kuwait Bank	12,109	0
Total Bank Re-Scheduled Loans	1,058,521	693,187

EJADA RE-SCHEDULED LOANS DURING 2009 vs. 2008

Number of Re-Scheduled Loans			Amount of Re-Scheduled Loans		
2009	2008	Change	2009	2008	Change
4	5	(1)	255,058	705,304	(450,246)

EJADA RE-SCHEDULED LOANS DURING 2009 vs. 2008 by BANK

BANK	2009 Re-Scheduled Loans Amount	2008 Re-Scheduled Loans Amount
ABC	0	25,423
Societe General	85,500	88,181
Capital bank	0	207,750
Arab National financial Leasing Co.	0	383,950
Industrial Development Bank	122,558	0
Ahli Bank	47,000	0
Total Bank Re-Scheduled Loans	255,058	705,304

FINANCIAL ACTIVITIES

OPERATIONAL REVENUES IN 2009 vs. 2008

Operational Revenue	JDs		
	2009	2008	Change
Housing Loan Guarantee Fees	293,433	299,301	(5,868)
Productive Loan Guarantee Fees	73,843	73,530	313
Working Capital Loan Guarantee Fees	3,296	2,929	367
Industrial Finance & Leasing Loan Guarantee Fees	62,498	53,777	8,721
Export Credit Guarantee Fees	103,591	196,392	(92,801)
Domestic Credit Guarantee Fees	29,347	25,449	3,898
Total Operational Revenue	566,008	651,378	(85,370)

REALIZED FINANCIAL REVENUES IN 2009 vs. 2008

Financial Revenue	JDs		
	2009	2008	Change
Interest on Bank Deposits	490,125	432,158	57,967
Interest on Debentures	113,567	129,152	(15,585)
Returns from Investment in Shares & Bonds	55,015	77,027	(22,012)
Profit from Trading Securities	48,819	77,414	(28,595)
Profit from Securities available for sale	700,442	10,170	690,272
Total Realized Financial Revenue	1,407,968	725,921	682,047

TOTAL REALIZED REVENUES IN 2009 vs. 2008

Revenue	JDs		
	2009	2008	Change
Operational Revenue	566,008	651,378	(85,370)
Financial Revenue	1,407,968	725,921	682,047
Other Revenue	11,589	29,419	(17,830)
Total Realized Revenue	1,985,565	1,406,718	578,847

UN-REALIZED FINANCIAL REVENUES IN 2009 vs. 2008

Revenue	JDs		
	2009	2008	Change
Profit from Valuation of Trading Securities	141,345	(1,356,419)	1,497,764
Total Un-Realized Financial Revenue	141,345	(1,356,419)	1,497,764

* Note: Some figures contained in the 2008 annual report have been reclassified to match the figures in the 2009 annual report and did not have any impact on the profit for the year

GENERAL AND ADMINISTRATIVE EXPENSES IN 2009 vs. 2008

Expense	JDs		
	2009	2008	Change
Salaries and wages	440,230	482,360	(42,130)
JLGC's contribution in saving fund	39,014	37,652	1,362
JLGC's contribution in social security	34,377	35,773	(1,396)
Medical and insurance expenses	29,036	28,582	454
Employees bonus	27,000	12,767	14,233
Board of Directors' transportation	46,600	46,800	(200)
Rent	110,770	108,298	2,472
Depreciation	29,590	27,202	2,388
Maintenance	3,887	4,178	(291)
Vehicle expenses	8,906	10,290	(1,384)
Marketing expenses	11,319	41,050	(29,731)
Professional fees	26,386	55,440	(29,054)
Official duties and training courses	30,919	46,779	(15,860)
Stationary and printing	10,654	12,644	(1,990)
Subscriptions	18,678	18,780	(102)
Post, telephone, and electricity	23,401	27,578	(4,177)
Others	12,415	11,256	1,159
Total General and Administrative Expenses	903,182	1,007,429	(104,247)

GROSS PROFIT IN 2009 vs. 2008

Gross Profit	JDs		
	2009	2008	Change
Total Revenues	2,126,910	50,299	2,076,611
(less) General and Administrative Expenses	903,182	1,007,429	(104,247)
Gross Profit / Loss	1,223,728	(957,130)	2,180,858

* Note: Some figures contained in the 2008 annual report have been reclassified to match the figures in the 2009 annual report and did not have any impact on the profit for the year

12. The Financial Impact of Non-Recurrent Transactions

There are no non-recurrent transactions that had a financial impact during 2009.

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

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

* Suggested Dividends to Shareholders

14. Analysis of JLGC's Financial Status

Ratios	2009	2008	2007	2006
Return on Each Share	0.087	-0.105	0.072	0.024
Return on Investment	3.68%	-4.60%	2.80%	1%
Return on Shareholder's Equity	5.87%	-6.92%	4.20%	1.41%
Return on Paid Up Capital	8.68%	-10.47%	7.20%	2.35%
Holding Ratio	62.68%	64.52%	67.20%	68.50%
Fixed Assets / Shareholder's Equity	21.45%	1%	0.64%	0.80%
Rate of Indebtedness	2.32%	2.64%	3.10%	2.50%
Liabilities to 3 rd parties / Total Assets	37.32%	35.50%	32.80%	31.50%
Liabilities to 3 rd parties / Shareholder's Equity	59.54%	55.11%	48.80%	45.90%
Current Liabilities / Shareholder's Equity	3.70%	4.17%	4.60%	3.60%
Revenue / Total Assets	9.00%	7.30%	9.07%	2.40%
Circulation Ratio	3621.53%	3623.51%	3187.50%	3980.20%
Working Capital (JD)	19,250,407	22,259,535	24,179,794	23,236,892

15. JLGC's Proposed Future Plan

Following is a summary of JLGC's future plans:

- Continue efforts aimed to spread the culture and technicalities of Loan and Export Credit Guarantees to banks and SMEs, and the important role they play in the Jordanian economy through seminars and workshops conducted for that purpose.
- Expand the operations of the Export Credit Guarantee department to include the underwriting activities in order to analyze some new markets and foreign buyers, and continue working with the Jordanian Government to come up with a vehicle to guarantee Jordanian exports to high political risk markets .
- Continue efforts aiming to automating all the loan guarantee operations and procedures with banks using modern communication technologies in order to increase speed and efficiency.
- Continue training and development of the JLGC's human resources to improve performance and increasing productivity.
- Working on a giving authority to some banks to automatically obtain guarantees without going back to JLGC under certain loan guarantee criteria, which will speed the financing process of SME loans.
- Expand JLGC's guaranteed portfolio of the Micro Finance Loans, where JLGC started working with the Ahli Micro Financing Company and currently working on signing agreements with other Micro Finance Institutions in Jordan.
- Work with the Jordan Economic Development Corporation (JEDCO), the European Union, the Ministry of Planning & International Cooperation, and the Central Bank of Jordan, on running the Loan Guarantee Scheme, under the EU's Jordan Service Sector Modernisation Programme

16. External Auditing Fees

The total amount paid to the "Arab Professionals" as auditing fees in 2009 was JD 8700 including a 16% sales tax.

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 amount paid as transportation & travel allowance and annual bonus to the Chairman & members of the Board of Directors in 2009 was JD 45,280 compared to JD 79,400 in 2008.

Name	Bonus *	Transportation Allowance **	Travel Allowance	Total
Mr. M.Said Shahin	120	6000	0	6120
Dr. Ibrahim M. Nsour	0	6800	0	6800
Mr. M. Mousa Dawood	200	3400	0	3600
Mr. M. Awni Khasawneh	200	0	0	200
Social Security Corporation	120	6000	0	6120
Mr. Mo'taz Barbour	120	6200	0	6320
Mr. Khaled Al Najjar	200	500	0	700
Mr. Abdel Elah Al Hunaiti	120	0	0	120
Mr. Zaidan Younis	0	5500	0	5500
Mr. Adel Asaad	0	6800	0	6800
Mr. M Sadeq Al Hasan	0	3000	0	3000
Total	1080	44,200	0	45,280

* 2008 Bonus is paid in 2009 after approval

** Transportation Allowance for 2009

b. Privileges paid to the Senior Executive Management

Total amounts paid as salaries, travel allowance and annual bonus to the senior executive management in 2009 was JD 194,708 compared to JD 314,742 in 2008.

Name and Title	Salaries	Bonus	Travel Allowance	Total
Dr. Jamal Salah / Director General	95,500	7000	14,525	117,025
Mr. Mohannad Al Rashdan / Assistant Director General for Technical & Operational Group	34,569	1173	200	35,942
Mr. Faeq Nassar / Assistant Director General for Support & Backing Group*	24,155	750	0	24,905
Mr. Jamal Jaafri / Loan Guarantee Department Manager	16,296	540	0	16,836
Total	170,520	9463	14,725	194,708

* Includes the Financial Department

19. Donations and Grants

In 2009 JLGC donated JD 2000 for the Jordanian Hashimite Committee for Gaza support.

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

There are no contracts, projects or engagements between JLGC 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 JLGC or their relatives.

21. JLGC'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 JLGC activities from Loan and Export Credit Guarantees aim in the first place to serve the local community in Jordan.

Important Regional & International Conferences attended by JLGC

“The Guarantee and Financing of Exports and Investments in Jordan” Forum

Under the patronage of H.E. the Minister of Industry and Trade, and in cooperation with the Arab Investment and Export Credit Guarantee Corporation (DHAMAN), the Islamic Corporation for the Insurance of Investments and Export Credit (ICIEC), and the Jordan Enterprise Development Corporation (JEDCO), the Jordan Loan Guarantee Corporation organized on Sunday, 31 May 2009 a forum titled “the Guarantee and Financing of exports and investment in Jordan”. This Forum was in the context of strengthening existing relations between (JLGC) and both (DHAMAN)& (ICIEC), which include reinsurance, joint marketing and commercial information exchange and debt collection and management training.

During the forum, exporters, investors and Jordanian banks were introduced to the Export Credit Guarantee Mechanisms and to Investment Insurance and ways to take advantage of services offered by the organizers of the forum. Mechanisms of joint cooperation between (JLGC) on one hand, and (DHAMAN) & (ICIEC) on the other were explained, which play an important role in supporting the National Arab and Islamic Guarantee Organizations.

This forum aimed to maximize the benefit of the Hashemite Kingdom of Jordan, from the guarantee protection services offered to exporters, investors and financiers in Jordan, which would have a positive effect in increasing Jordan’s exports and strengthening its position in the Arab and international markets, and maximizing the role of Jordanian banks in providing the necessary funding in the context of guarantee coverage to keep pace with the evolution and expansion of Jordan’s exports.



H.E. Mr. Amer Hadidi Minister of Industry and Trade in the center, to his right Dr. Jamal Salah Director General of JLGC and Mr. Murad Mizori from ICIEC in Saudi Arabia, and to his left Eng. Yarub Qudah General Manager of JEDCO and Mr. Fahad Al Ibrahim General manager of Dhaman in Kuwait

Seminar on Export Credit at the Industrial Estates Corporation

H.E. Eng. Amer Al-Majali, Director General of Jordan Industrial Estates Corporation, sponsored a seminar held by the Jordan Loan Guarantee Corporation to introduce (the Jordanian exports credit guarantee scheme). The seminar was held at 11:00 am, on Tuesday October 20th 2009, at the King Abdullah II Industrial Park in Sahab.

The seminar was attended by the Vice President of Jordanian Investors Association and a number of industrial investors and those interested in the field of export credit.

Director General of Jordan Industrial Estates Corporation said that the issue of national export development has received widespread attention in recent years and took major concern of all economic and investment policies because of its great importance to the development of the national economy.

Assistant Director General for Technical Affairs said that the Jordan Loan Guarantee Corporation has been offering loan guarantees since its establishment. The development of the Jordanian System to guarantee export and domestic credit was set to help Jordanian producers increase their sales in the domestic and external markets.

Export credit guarantee advisor, emphasized that any industrial company seeks to market their products in both local and foreign markets. On the other hand the importers and local merchants seek to obtain goods and services from anywhere in the world with the best conditions. This has become possible in the light of freedom and ease of international trade, which increased competition among exporters of the same commodity from around the world.

He added that the Jordanian exporters with the help of the JLGC guarantees, can increase their exports to current importers and enter new markets by offering easier payment conditions, without insisting on the opening of traditional LCs. In addition exporters are able to get bank credit for the value of their guaranteed exports as well as their local sales from commercial banks, under appropriate conditions.

Head of the Export Credit Guarantee Department at JLGC, showed that the total value of exports covered by the JLGC export credit guarantee has increased to JD 500 million.

Annual Conference of the Credit Alliance in Paris

Director General Dr. Jamal Salah attended the annual conference of the Credit Alliance in Paris during the period 18-24/1/2009, where the latest world developments in the Credit Guarantee industry were discussed.

The 2009 Spring Meeting of the Prague Club in Minsk

As a member, JLGC attended the Spring Meeting of the Prague Club held in Minsk, Belarus during the period 8th – 10th of June 2009.

During the meeting and among other issues, the members exchanged information about the impact of the crisis on their export credit guarantee business and where and what the current problems are and the expectations regarding the environment for export credit.

Alexandria Forum: Small and Medium Enterprises Present and Future Strategic Orientation

Upon the invitation of the Union of Arab Banks, Dr. Jamal Salah, Director General of the Jordan Loan Guarantee Corp. participated in the activities of a forum on small and medium-sized Enterprises entitled: "present and future strategic planning, which was held in Alexandria, Egypt during the period 16-17 of July 2009. Dr. Jamal presided over a discussion meeting entitled: "Role & Initiatives of banks, financial institutions, and Investment Guarantee Institutions for financing small and medium enterprises."

1st Joint Meeting of Arab & Islamic ECAs in Beirut

Director General Dr. Jamal Salah and Dr. Abdullah Hylooz Export Credit Guarantee Advisor, attended on the 27th & 28th October 2009 the 1st Joint Meeting of Arab & Islamic Export Credit Agencies in Beirut organized by The Islamic Corporation for the Insurance of Investment & Export Credit – ICIEC (Member of the Islamic Development Bank Group), and the Arab Investment & Export Credit Guarantee Corporation – DHAMAN. The meeting discussed best ways of improving cooperation between Arab and Islamic countries in the field of export credit guarantees between each other.

The 2009 Autumn Meeting of the Prague Club in Cape Town

On behalf of JLGC, Dr. Jamal Salah Director General attended the 2009 Autumn Meeting of the Prague Club held in Cape Town, South Africa during the period of 9- 11 November 2009. The effects of the global financial crises around the world were on top of the agenda during the meeting.

The 3rd MENA-OECD Working Group 2 Meeting in Paris

Mr. Mohannad Al-Rashdan, Assistant Director General for Technical & Operational Group on behalf of JLGC, attended the 3rd MENA-OECD Working Group 2 Meeting which was held in Paris on 26th Oct., 2009.

The meeting focused on how to improve credit guarantee programs to promote innovation financing for SMEs, and experts from the Organization for Economic Co-Operation & Development and from Middle East & North Africa countries discussed strategic directions and addressed key business climate challenges.

Jordan Loan Guarantee Company Public Shareholding Company

Financial Statements as at 31 December 2009

**Together With
Independent Auditors' Report**

Arab Professionals

(Member firm within of Grant Thornton International Ltd)

INDEPENDENT AUDITORS' REPORT

To The Shareholders of
Guarantee Company Jordan Loan
Amman - Jordan

We have audited the accompanying financial statements of **Jordan Loan Guarantee Company**, which comprise the statement of financial position as at 31 December 2009, and the income statement, statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statements of the Company as at 31 December 2008 were audited by another auditor, whose report dated 18 February 2009, expressed an unqualified opinion on those statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Jordan Loan Guarantee Company** as at 31 December 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on the Legal and Regularly Requirements

The Company maintains proper accounting records and the accompanying financial statements are in agreement therewith and with the financial data presented in the Board of Directors' report.

Amman – Jordan	Arab Professionals
28 January 2010	

Guarantee Company Jordan Loan Public Shareholding Company Statement of Financial Position as at 31 December 2009

(In Jordanian Dinars)

	Notes	2009	2008
Assets			
Cash & cash equivalents	4	8,986,537	6,309,786
Restricted bank deposits	12	6,047,575	5,793,550
Trading investments	5	2,208,751	6,822,051
Available for sale investments	6	826,380	1,960,461
Held to maturity investments	7	1,444,640	1,649,640
Accounts and other receivables	8	283,173	261,243
Deferred tax assets	9	609,212	431,771
Property and Equipment, net	10	3,170,132	149,977
Total Assets		23,576,400	23,378,479
Liabilities and Equity			
Liabilities			
Provisions for loan guarantee	11	3,091,219	2,547,585
Central Bank of Jordan loan	12	5,160,695	5,160,695
Accounts and other payables	13	382,247	330,928
Income tax provision	9	164,402	206,268
Total Liabilities		8,798,563	8,245,476
Equity			
	14		
Paid in capital		10,000,000	10,000,000
Statutory reserve		1,244,852	1,149,391
Voluntary reserve		2,065,112	1,874,190
Fair value adjustments		167,075	890,655
Retained earnings		1,300,798	1,218,767
Total Equity		14,777,837	15,133,003
Total Liabilities and Equity		23,576,400	23,378,479

«The attached notes from (1) to (25) form an integral part of these financial statements»

**Guarantee Company Jordan Loan
Public Shareholding Company
Income Statement for the year ended 31 December 2009**
(In Jordanian Dinars)

	Note	2009	2008
Interest income		490,125	432,158
Commissions on guaranteed loans		367,276	372,831
Commissions on guaranteed export loans and domestic buyers		136,234	224,770
Commissions on guaranteed industrial loans and financial leasing		62,498	53,777
Gain from sale of securities		749,261	87,584
Trading investment revaluation		141,345	(1,356,419)
Bonds interest income		113,567	129,152
Dividend income		55,015	77,027
Other income		11,589	29,419
Total revenues		2,126,910	50,299
Less			
Administrative expenses	15	903,182	1,007,429
Special provision	11	260,612	208,894
General provision	11	-	29,198
Provision for end of service indemnity		8,509	10,263
Fees and other expenses	16	60,472	1,060
Total Expenses		1,232,775	1,256,844
Profit (Loss) for the year before income tax		894,135	(1,206,545)
Income tax (expenses) benefits	9	(25,721)	159,675
Profit (Loss) for the year		868,414	(1,046,870)
Earnings per share	17	0.087	(0.105)

“The attached notes from (1) to (25) form an integral part of these financial statements”

**Guarantee Company Jordan Loan
Public Shareholding Company
Statement of comprehensive income
For The Year Ended 31 December 2009**
(In Jordanian Dinars)

	2009	2008
Profit (loss) for the year	868,414	(1,046,870)
Other comprehensive income		
Available for sale financial asset valuation	(723,580)	(232,327)
Total comprehensive income for the year	144,834	(1,279,197)

“The attached notes from (1) to (25) form an integral part of these financial statements”

**Guarantee Company Jordan Loan
Public Shareholding Company
Statement of Changes in Equity
For The Year Ended 31 December 2009**
(In Jordanian Dinars)

	Paid in capital	Reserves		Fair value adjustments	Retained Earnings	Total
		Statutory	voluntary			
Balance as at 1 January 2009	10,000,000	1,149,391	1,874,190	890,655	1,218,767	15,133,003
Divided paid	-	-	-	-	(500,000)	(500,000)
Total comprehensive income for the year	-	-	-	(723,580)	868,414	144,834
Reserves	-	95,461	190,922	-	(286,383)	-
Balance as at 31 December 2009	10,000,000	1,244,852	2,065,112	167,075	1,300,798	14,777,837
Balance as at 1 January 2008	10,000,000	1,149,391	1,874,190	1,122,982	2,865,637	17,012,200
Divided paid	-	-	-	-	(600,000)	(600,000)
Total comprehensive income for the year	-	-	-	(232,327)	(1,046,870)	(1,279,197)
Balance as at 31 December 2008	10,000,000	1,149,391	1,874,190	890,655	1,218,767	15,133,003

«The attached notes from (1) to (25) form an integral part of these financial statements»

**Guarantee Company Jordan Loan
Public Shareholding Company
Statement of Cash Flows
For The Year Ended 31 December 2009**
(In Jordanian Dinars)

	2009	2008
Cash Flows From Operating Activities		
Profit (loss) for the year before tax	894,135	(1,206,545)
Depreciation	29,590	27,202
Change in fair value of trading investments	(141,345)	1,356,419
Gain on sale of financial assets available for sale	(700,442)	(10,170)
Provision for end of service indemnity	8,509	10,263
Provisions for loan guarantee	614,952	543,642
Change in working capital		
Trading investments	4,754,645	327,119
Accounts and other receivables	(21,930)	166,067
Accounts and other payables	42,810	(100,343)
Net payments of loan guarantee	(71,318)	(368,550)
Income taxes paid	(196,789)	(155,861)
Net Cash from Operating Activities	5,212,817	589,243
Cash Flows From Investing Activities		
Redemption of held to maturity investments	205,000	298,680
Property & equipment	(3,049,745)	(68,194)
Available for sale securities	1,062,704	14,526
Net Cash Flows From Investing Activities	(1,782,041)	245,012
Cash Flows From Financing Activities		
Increase in restricted loan deposits	(254,025)	(111,812)
Dividends paid	(500,000)	(600,000)
Net Flows From Financing Activities	(754,025)	(711,812)
Change in cash & cash equivalents	2,676,751	122,443
Cash & cash equivalents at beginning of the year	6,309,786	6,187,343
Cash & cash equivalents at end of the year	8,986,537	6,309,786

«The attached notes from (1) to (25) form an integral part of these financial statements»

**Guarantee Company Jordan Loan
Public Shareholding Company
Notes to the Financial Statements
31 December 2009
(In Jordanian Dinars)**

1. General

Jordan Loan Guarantee company a public shareholding company was incorporated on 26 March 1994. The company was formed as successor to the Loan Guarantee Project as result of the Council of ministers' Decision that transferred all accounts and assets of the Project to the Central Bank of Jordan in preparation for the establishment of a public shareholding company for Loan Guarantee. The Company head office is in the Hashemite Kingdom of Jordan.

The company's goals include providing guarantees to fully or partially cover loans of different types granted by banks and financial institutions for the establishing, expanding, and raising the productive and marketing capacity of economic projects with the aim of creating job opportunities and securing possibilities for earning or saving foreign reserves. The company's goals also include extending guarantees required to cover risks in the field of Jordanian export sector.

The financial statements were authorized for issue by the Company's Board of Directors in their meeting held on 28 January 2010 and it is subject to the General Assembly approval.

2. Significant Accounting Policies

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards.

The financial statements have been prepared on a historical cost basis except for investment securities, which have been measured at fair value.

The financial statements are presented in Jordanian Dinar "JD" which is the functional currency of the Company.

Adoption of new and revised IFRS standards:

The accounting policies are consistent with those used in the previous year.

The Company has adopted the following new interpretations, revisions and amendments to IFRS issued by the International Accounting Standards Board, which are relevant to and effective for the Company's financial statements for the annual period beginning 1 January 2009:

Standards No.	Subject	Detail
IFRS 7	Financial Instruments – Disclosures	Additional disclosures on fair value and liquidity risk
IFRS 8	Operating Segments	Replacement of IAS 14
IAS 1	Presentation of Financial Statements	Has introduced terminology changes and changes in the format and content of the financial statements

The following amendments to existing standards have been published that are mandatory for accounting periods after 31 December 2009. The Directors anticipate that the adoption of these Standards in future periods will have no material impact on the financial statements of the Company.

Standards No.	Subject	Effective Date
IFRS 9	Financial Instruments	January 2013
IAS 24	Related party disclosure	January 2011
IAS 32	Financial Instruments – Presentation	February 2010
IAS 39	Financial Instruments – Recognition & Measurement	July 2009

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues, expenses and the provisions. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the income statement.

Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the Cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments.

Trading securities

These are initially recognized at cost and subsequently remeasured at fair value. All related realized and unrealized gains and losses resulting from the changes in fair value upon the translation of non-monetary assets in foreign currencies are taken to the income statement. - Interest earned is included in interest income and dividends received are included in dividend income.

Available for sale investments

Available for sale investments are initially measured at cost, which is the fair value of the consideration given for them, including transaction costs.

Available for sale investments are subsequently carried at fair value without any deduction for transaction costs by reference to their quoted market price at the balance sheet date. Investments for which fair value cannot be reliably determined are stated at cost. Impairment loss is recognized in net profit or loss for the period.

Gains or losses on measurement to fair value of available for sale investments are recognized directly in the fair value reserve in shareholders equity, until the investment is sold or otherwise disposed of, or until it is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in net profit or loss for the period.

Available-for-sale investments are classified as current assets if management intends to realize them within twelve months of the balance sheet date.

Held to maturity investments

These are initially recognized at cost, being the fair value of the consideration given including directly attributable transaction costs. Investments classified as held-to-maturity with fixed or determinable payments and fixed maturity are carried at amortized cost less a provision for impairment.

Trading and settlement date accounting

Purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits its self to purchase or sell the asset.

Fair value

For fair value of investments, which are traded in organized financial markets, is determined by reference to the quoted market bid price at the close of the business on balance sheet date. For investments which are listed in inactive stock markets, traded in small quantities or have no current prices, the fair value is measured using the current value of cash flows or any other method adopted. If there is no reliable method for the measurement of these investments, then they are stated at cost less any impairment in their value.

Impairment of Financial Assets

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statements.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

Depreciation is computed on a straight-line basis using the following annual depreciation rates:

Building	2%
Furniture & equipment	10-20%
Vehicles	15%
Computers & software	20%

The useful life and depreciation method are reviewed annually to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property plant and equipment.

Projects in progress represent plant and properties under construction and are stated at cost. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operational use.

Accounts payable

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Provision for End of Service Indemnity

The provision for end of service indemnity is calculated based on the contractual provisions of the employment.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and the Bank intends to either settle them on a net basis, or to realize the asset and settle the liability simultaneously.

Revenues

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the company and the amount of revenue can be measured reliably.

Interest is recognized on a time proportion basis that reflects the effective yield on the assets.

Interest on central bank of Jordan loan is recognized when realized and provision, equivalent to the value of realized interest is provided to cover any losses that might result from industrial financing loans doubtful debts.

Commissions on loan guarantees are recognized annually on the guaranteed ceilings granted to banks and financial institutions.

Commissions on post- shipment export credit guarantees are recognized annually on the guaranteed ceilings after deducting the reinsurance Company share.

Dividends are recognized when the shareholders' right to receive payment is established.

Income Tax

Income tax expenses represent accrued taxes and deferred taxes.

Income tax expenses are accounted for on the basis of taxable income. Taxable income differs from income declared in the financial statements because the latter includes non-taxable revenues or disallowed taxable expenses in the current year but deductible in subsequent years, accumulated losses acceptable by the tax law, and items not accepted for tax purposes or subject to tax.

Taxes are calculated on the basis of the tax rates according to the prevailing laws, regulations, and instructions of the countries where the Company operates.

Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the financial statements and the value of the taxable amount. Deferred tax is calculated on the basis of the liability method in the balance sheet according to the rates expected to be applied when the tax liability is settled or tax assets are recognized. Deferred tax assets are reviewed at the date at the balance sheet, and reduced in case it is expected that no benefit will arise therefore, partially or totally.

Foreign Currency

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinars using the prevailing exchange rates at year end. Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions. Foreign exchange gains or losses are reflected in the statement of income.

3. Balances of Guaranteed Loans and Ceilings

	Ceiling		Guaranteed	
	2009	2008	2009	2008
Housing loans guarantees	44,767,000	45,319,000	32,622,581	35,219,128
Productive loans guarantees	5,132,700	5,052,000	2,789,483	2,503,963
Computer purchase financing	1,000,000	1,000,000	24,257	477,500
Working capital guarantees	215,940	265,940	161,955	124,271
Export credit guarantees (domestic buyers)	1,790,727	4,735,870	1,790,727	4,735,870
Industrial loans guarantees	24,793,481	22,968,981	4,570,325	4,642,378
Financial leasing	11,730,627	6,313,921	3,908,139	2,160,275

4. Cash and Cash Equivalents

	2009	2008
Cash on hand	1,000	569
Cash at bank	5,378	-
Bank deposits	8,980,159	6,309,217
	8,986,537	6,309,786

Bank deposits mature within (6) months, with a fixed interest rate ranging between (4%) and (5.5%).

5. Trading investments

	2009	2008
Investment funds	1,344,081	1,260,849
Non- guaranteed investment portfolios	864,670	706,420
Guaranteed investment portfolios	-	4,854,782
	2,208,751	6,822,051

6. Available for sale investments

	2009	2008
Investments in quoted shares (in Jordan)	276,380	1,322,961
Investments in unquoted shares (in Jordan)	550,000	637,500
	826,380	1,960,461

The following represents movement on the cumulative change in fair value:

	2009	2008
Balance as at 1 January	890,655	1,122,982
Net unrealized (loss)	(62,486)	(242,011)
Net realized gain recognized in the income statement	(661,094)	9,684
	167,075	890,655

7. Held to maturity investments

	2009	2008
Investments in bonds	1,444,640	1,649,640

Investments in bonds mature up to the year 2011 with an annual interest rate ranging between (7%) and (8.25%).

8. Accounts and Other Receivables

	2009	2008
Accrued commission income	164,352	160,233
Accrued interest income	98,239	76,975
Prepaid expenses	16,862	15,359
Refundable deposits	3,230	8,230
Others	490	446
	283,173	261,243

9. Income Tax

The movements in the income tax provision are as follows:

	2009	2008
Balance as at 1 January	206,268	362,129
Current income tax charge	167,582	-
Prior year's tax adjustment	(12,659)	-
Income tax paid	(196,789)	(155,861)
Balance as at 31 December	164,402	206,268

The income tax presented in the income statement consists of:

	2009	2008
Current income tax charge	(167,582)	-
Deferred tax (liabilities) assets in revaluation gain of trading investments	(8,834)	62,452
Prior year's tax adjustment	12,659	-
Deferred tax assets relating to loans guaranteed provision	135,909	126,987
Deferred tax assets (liabilities) on end of service indemnity	2,127	(29,764)
	(25,721)	159,675

Deferred tax assets presented in the statement of financial position consists of:

	2009	2008
Loan guarantee provisions	625,945	490,036
End of service provision	3,239	1,112
Revaluation on trading investments	(8,834)	-
Change in fair value reserve	(11,138)	(59,377)
	609,212	431,771

- The company has settled its tax liabilities with the Income Tax Department up to the year ended 2007.
- The Income Tax Department reviewed the Company's records for the year 2008, but has not issued the tax clearance till the date of this report.
- The income tax provision for 2009 was calculated in accordance with the Income Tax Law.

10. Property & Equipment, net

	Lands	Buildings	Computers & Software	Furniture & Fixtures	Vehicles	Total
Cost						
Balance as at 1/1/2009	-	-	237,505	176,990	44,424	588,919
Additions	1,688,453	1,356,547	4,324	710	-	3,050,034
Disposals	-	-	(15,334)	(1,075)	(48,703)	(65,112)
Balance as at 31/12/2009	1,688,453	1,356,547	226,495	176,625	95,721	3,543,841
Accumulated depreciation						
Balance as at 1/1/2009	-	-	206,917	103,018	99,007	408,942
Depreciation for the year	-	-	9,324	13,188	7,078	29,590
Disposals	-	-	(15,321)	(800)	(48,702)	(64,823)
Balance as at 31/12/2009	-	-	200,920	115,406	57,383	373,709
Net book value as at 31/12/2009	1,688,453	1,356,547	25,575	61,219	38,338	3,170,132
Cost						
Balance as at 1/1/2008	-	-	234,195	174,177	97,224	505,596
Additions	-	-	13,840	9,247	47,200	70,287
Disposals	-	-	(10,530)	(6,434)	-	(16,964)
Balance as at 31/12/2008	-	-	237,505	176,990	144,424	558,919
Accumulated depreciation						
Balance as at 1/1/2008	-	-	203,078	96,310	97,223	396,611
Depreciation for the year	-	-	12,420	12,998	1,784	27,202
Disposals	-	-	(8,581)	(6,290)	-	(14,871)
Balance as at 31/12/2008	-	-	206,917	103,018	99,007	408,942
Net book value as at 31/12/2008	-	-	30,588	73,972	45,417	149,977

11. Provisions for Loan Guarantees

The general provision was computed at 3% of the guarantee's production loans and the guaranteed portion of working capital loans, and 1% of the guaranteed housing loans portfolio. The specific provision was determined as the remaining balance after deducting the general provision.

The breakdown of provisions for loan guarantees presented in the statement of financial position is as follows:

	2009	2008
General provision	587,440	587,440
Specific provision	1,597,989	1,326,097
Provision for industrial financing	905,790	634,048
	3,091,219	2,547,585

The movement on these provisions is as follows:

General provision

	2009	2008
Balance as at 1 January	587,440	558,242
Charge for the year	-	29,198
Balance as at 31 December	587,440	587,440

Specific provision

	2009	2008
Balance as at 1 January	1,326,097	1,293,208
Charge for the year	260,612	208,894
Unused amounts reversed	125,662	85,894
Compensations paid	(114,382)	(261,899)
Balance as at 31 December	1,597,989	1,326,097

Provision for industrial financing

	2009	2008
Balance as at 1 January	634,048	521,043
Charge for the year	354,340	305,550
Unused amounts reversed	-	22,967
Amount written off	(82,598)	(215,512)
Balance as at 31 December	905,790	634,048

12. Central Bank of Jordan Loan

The board of ministers in their meeting held on 7 February 2006. authorized the central bank of Jordan, to loan the company a non interest bearing grant by the European commission of an amount is equivalent to JD 5,160,695 , the loan does not have a maturity date. The grant shall revert to the central of Jordan upon the liquidation of the company.

Interest earned on the amount restricted against the loan is transferred to the provision for industrial financing and is to be used along with the restricted amount against liabilities resulting from industrial loans doubtful debt.

The restricted balance presented under assets in the balance sheet amounted to JD 6,047,575 and JD 5,793,550 as at 31 December 2009 and 2008, respectively.

13. Accounts and Other Payables

	2009	2008
Re-insurers (COFACE)	102,521	111,115
Accrued reinsurance fees	110,410	130,684
Board of Director>s remuneration	35,000	1,060
Scientific research provision	9,546	-
Jordanian universities> fees provision	9,546	-
Education, vocational and technical training support fund	6,380	-
Provision for end of service indemnity	12,955	4,446
Accrued expenses	15,947	19,692
Employees bonus provision	27,000	12,767
Others	52,942	51,164
	382,247	330,928

14. Shareholders Equity

Paid in Capital

The Company's authorized and paid up capital is JD (10) Million divided equally into (10) Million shares with par value of JD (1) each as at 31 December 2009 & 2008.

Statutory Reserve

The accumulated amounts in this account represent 10% of the Company's net income before income tax according to the Companies Law. The statutory reserve is not available for distribution to shareholders.

Voluntary Reserve

The accumulated amounts in this account represent cumulative appropriations not exceeding 20% of net income. This reserve is available for distribution to shareholders.

Proposed Dividends

The Board of Directors will propose to the General Assembly in its meeting which will be held during 2010 to distribute 4% cash dividends to the shareholders.

The General Assembly has resolved in its meeting held in 2009 to distribute 5% cash dividends to the shareholders.

15. General and Administrative Expenses

	2009	2008
Salaries and wages	440,230	482,360
Company>s contribution in saving fund	39,014	37,652
Company>s contribution in social security	34,377	35,773
Board of Directors' transportation	46,600	46,800
Rent	110,770	108,298
Medical and health insurance expenses	29,036	28,582
Depreciation	29,590	27,202
Employees bonus	27,000	12,767
Maintenance	3,887	4,178
Vehicles expenses	8,906	10,290
Marketing expenses	11,319	41,050
Professional fees	26,386	55,440
Official duties and training courses	30,919	46,779
Stationary and printings	10,654	12,644
Subscriptions	18,678	18,780
Post, telephone and electricity	23,401	27,578
Others	12,415	11,256
	903,182	1,007,429

16. Fees and Other Expenses

	2009	2008
Jordanian Universities> fees	9,546	-
Scientific research fees	9,546	-
Technical and vocational education and training fund	6,380	-
Board of Directors' remunerations	35,000	1,060
	60,472	1,060

17. Earning Per Share

	2009	2008
Profit (loss) for the year	868,414	(1,046,870)
Weighted average number of shares	10,000,000	10,000,000
	0.087	(0.105)

18. Related Party Transactions

The salaries and remunerations of the executive management amounted to JD 192,245 and JD 314,742 during 2009 and 2008 respectively

19. Legalization

The Company appears as a defendant in a law suit relating to export guarantee amounting to 307,330 JD. The Company's share is 61,466 JD. The Management believes that this case will not be a significant effect on the financial position of the company

20. Productivity Enhancement program

Under the productivity enhancement program, the company signed an agreement with the ministry of planning whereby, the ministry will provide an amount of JD 1,000,000 for the purpose of setting up a loan guarantee scheme with local commercial banks to provide medium and long term loans to small and medium size enterprises. Guarantees give under this scheme will cover up to maximum of 70% of the principal value of a guaranteed loan and of interest accrued up to maximum of 180 days.

Funds transferred to the company under this agreement plus accrued interest should be segregated from the company assets. The interest is recorded as income in the company's records.

The fund balances as of 31 December 2009 and 2008 the amount of JD 250,000.

21. Analysis of the Maturities of Assets and Liabilities

The following table illustrates the analysis of assets and liabilities according to the expected period of their recoverability or settlement.

2009	Less than 1 year	More than 1 year	Total
Assets			
Cash & cash equivalents	8,986,537	-	8,986,537
Restricted bank deposits	-	6,047,575	6,047,575
Trading investments	2,208,751	-	2,208,751
Available for sale investments	-	826,380	826,380
Held to maturity investments	1,309,640	135,000	1,444,640
Accounts and other receivables	283,173	-	283,173
Deferred tax assets	-	609,212	609,212
Property and Equipment, net	-	3,170,132	3,170,132
Total Assets	12,788,101	10,788,299	23,576,400
Liabilities and Equity			
Provisions for loan guarantee	-	3,091,219	3,091,219
Central Bank of Jordan loan	-	5,160,695	5,160,695
Other current liabilities	382,247	-	382,247
Income tax provision	164,402	-	164,402
Total Liabilities	546,649	8,251,914	8,798,563
Net	12,241,452	2,536,385	14,777,837
2008			
Assets			
Cash & cash equivalents	6,309,786	-	6,309,786
Restricted bank deposits	-	5,793,550	5,793,550
Trading investments	6,822,051	-	6,822,051
Available for sale investments	-	1,960,461	1,960,461
Held to maturity investments	649,640	1,000,000	1,649,640
Accounts and other receivables	261,243	-	261,243
Deferred tax assets	-	431,771	431,771
Property and Equipment, net	-	149,977	149,977
	14,042,720	9,335,759	23,378,479
Liabilities and Equity			
Provisions for loan guarantee	-	2,547,585	2,547,585
Central Bank of Jordan loan	-	5,160,695	5,160,695
Other current liabilities	330,928	-	330,928
Income tax provision	206,268	-	206,268
Total Liabilities	537,196	7,708,280	8,245,476
Net	13,505,524	1,627,479	15,133,003

22. Interest Rate Re-pricing Gap

The Company adopts the assets - liabilities compatibility principle and the suitability of maturities to narrow gaps through categorizing assets and liabilities into various maturities or price review maturities, whichever are nearer, to lower risks in interest rates, studying gaps in the related interest rates.

2009	Less than 1 year	More than 1 year	Non-interest bearing	Total
Assets				
Cash & cash equivalents	8980159	-	6,378	8,986,537
Restricted bank deposits	-	-	6,047,575	6,047,575
Trading investments	-	-	2,208,751	2,208,751
Available for sale investments	-	-	826,380	826,380
Held to maturity investments	1,309,640	135,000	-	1,444,640
Other current assets	-	-	283,173	283,173
Deferred tax assets	-	-	609,212	609,212
Property and equipment, net	-	-	3,170,132	3,170,132
Total Assets	10,289,799	135,000	13,151,601	23,576,400
Liabilities and Equity				
Provisions for loan guarantee	-	-	3,091,219	3,091,219
Central Bank of Jordan loan	-	-	5,160,695	5,160,695
Other current liabilities	-	-	382,247	382,247
Income tax provision	-	-	164,402	164,402
Total Liabilities	-	-	8,798,563	8,798,563
Net	10,289,799	135,000	4,353,038	14,777,037

2008	Less than 1 year	More than 1 year	Non-interest bearing	Total
Assets				
Cash & cash equivalents	6,309,217	-	569	6,309,786
Restricted bank deposits	-	-	5,793,550	5,793,550
Trading investments	-	-	6,822,051	6,822,051
Available for sale investments	-	-	1,960,461	1,960,461
Held to maturity investments	649,640	1,000,000	-	1,649,640
Other current assets	-	-	261,243	261,243
Deferred tax assets	-	-	431,771	431,771
Property and equipment, net	-	-	149,977	149,977
Total Assets	6,958,857	1,000,000	15,419,622	23,378,479
Liabilities and Equity				
Provisions for loan guarantee	-	-	2,547,585	2,547,585
Central Bank of Jordan loan	-	-	5,160,695	5,160,695
Other current liabilities	-	-	330,928	330,928
Income tax provision	-	-	206,268	206,268
Total Liabilities	-	-	8,245,476	8,245,476
Net	6,958,857	1,000,000	7,174,146	15,133,003

23. Financial Instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets of the Company include deposits at banks, and available for sale investments. Financial liabilities of the Company include Central Bank of Jordan loan.

Fair Value

The fair values of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently.

Credit Risk

Credit risk arises principally from banks' deposits and loans granted to the financial institutions to refinance housing loans. The Company limits its credit risk by adopting conservative lending standards and setting limits to its customers, noting that the Company does not bear any loss arising from any default in the refinanced loans, as it is carried out in full by the financial institutions. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its net financial obligation. In this respect, the Company's management diversified its funding sources, and managed assets and liabilities taking into consideration liquidity and keeping adequate balances of cash, and cash equivalents and quoted securities.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date:

	Less than one year	More than one year	Total
Provisions for loan guarantee	-	3,091,219	3,091,219
Central Bank of Jordan loan	-	5,160,695	5,160,695
Other current liabilities	382,247	-	382,247
Income tax provision	164,402	-	164,402
	546,649	8,251,914	8,798,563

Loans and exports guarantee risks

The company guarantees 70% of granted loans not exceeding JD 70,000 and guarantees 75% of housing loans to the low and medium income applicants provided that the loan does not exceed JD 75,000. The company guarantees working capital credit for 70% of loans granted by commercial banks up to JD 430,000 for each exporter.

The company guarantees 90% of post shipment exports losses caused by any of the risks covered by the guarantee contract. The company reinsures the guaranteed capital through agreements with Regional & International Insurance Companies.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of its holdings of financial instruments. As most of the Company's financial instruments have fixed interest rate and carried at amortized cost, the sensitivity of the Company's results or equity to movements in interest rates is not considered significant.

Currency Risk

The management considers that the Company is not exposed to significant currency risk. The majority of their transactions and balances are in either Jordanian Dinars or US Dollars. As the Jordanian Dinar is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk and the Company's results or equity to movements in exchange rates is not considered significant.

Equity Price Risk

Equity price risk result from the change in the fair value of equity securities. The Company manages these risks through the diversification of investments in several geographical areas and economic sectors. If the quoted market price of listed equity securities had increased or decreased by 10%, the net result for the year would be reduced/increased by JD 86,467 during 2009 (2008: JD 556,120), and increased / reduced in the equity by JD 25,911 during 2009 (2008: JD 124,028).

24. Capital Management

The Company manages its capital structure with the objective of safeguarding the entity's ability to continue as a going concern and providing an adequate return to shareholders by pricing products and services commensurately with the level of risk.

25. Comparative Figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

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
M.Said Shahin



Deputy Chairman
M. Sadeq Al-Hasan



Member



Member



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
M.Said Shahin



Deputy Chairman
M. Sadeq Al-Hasan



Member



Member



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

Chairman of the Board
M.Said Shahin



Director General
Dr. Jamal Salah



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



