



2012

19th ANNUAL REPORT

JORDAN LOAN GUARANTEE CORPORATION
The Small Business Company of Jordan



JORDAN
LOAN GUARANTEE CORP.
The Small Business Company Of Jordan





His Majesty King Abdullah II





His Royal Highness Crown Prince of Jordan



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Jordan Loan Guarantee Corporation

A Limited, Public Shareholding Company, established in accordance with the Jordanian Companies Law and registered in the Public Shareholding Companies Register under Number 242, on March 26, 1994 with JD 10 million capital.

Mission Statement

To enhance sustainable economic growth in Jordan through improving the credit environment for economically viable small and medium sized enterprises and by providing credit guarantees to national exporters.



MESSAGE FROM THE CHAIRMAN

In the Name of God the Merciful the Compassionate

Ladies and Gentlemen:

I would like to welcome you to the 19th Annual Ordinary General Assembly Meeting of the Jordan Loan Guarantee Corporation (JLGC). It gives me a true pleasure to present to you on behalf of the Board of Directors, the Nineteenth Annual Report of the company and its achievements during the year 2012, including the financial statements and the external auditor's report for the year ended 31/12/2012.

Dear Shareholders,

Despite international and regional developments over the past few years, aggregate indicators of the Jordanian banking system reflected a good performance and maintained the pace of progress in the level of profitability, with a sound financial solvency. The Central Bank of Jordan focused efforts during 2012 to enhance the competitiveness of banks operating in the Kingdom by emphasizing effective systems for risk management and good governance and an adequate level of capital and liquidity to face any unexpected risks to enable the banking system to play its pivotal role in the economy.

Dear Shareholders,

Given the important role of financing small and medium sized projects in the economy, the Jordan Loan Guarantee Corporation continued working to achieve the purpose for which it was created: to provide the

necessary guarantees to facilitate the financing of small and medium size enterprises and national exports, to contribute to the process of economic growth, job creation and national exports encouragement.

In this context, and through its various loan guarantee programs the Corporation provided guarantees during 2012 for 950 loans with a guaranteed value of JD21.6 million. The corporation also signed 19 export guarantee policies within the export credit guarantee program worth JD155 million dinars which covered 923 export shipments worth JD106.9 million.

The financial performance of the corporation showed through the company's financial statements a good improvement, where the company achieved a total revenue of JD 1.560 million during 2012, compared with JD 1.173 million in 2011. The company achieved a net profit of JD 275 thousand, compared with a loss of JD 262 thousand in 2011. Total shareholders' equity reached JD14.285 million In 2012 compared to JD 14,011 million in 2011, and total assets was valued at JD 24.024 million as on the year 2012 compared to JD 21.981 million as on the year 2011.

Dear Shareholders,

The corporation is looking forward to continuing its assigned role of financing small and medium-sized businesses and work on continuous improvement of the efficiency of managing its risk, so that it can achieve the objectives that the company was established for, and achieve returns to ensure continuity and the ability to expand its activities in the future.

Finally, let me extend on your behalf my sincere thanks to my fellow members of the Board and the Director-General for their efforts in achieving the objectives of the corporation, hoping that God almighty will preserve Jordan and our leader His Majesty King Abdullah II, may God protect him.

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

*Dr. Maher, "Sheikh Hasan"
Chairman of the Board*



MESSAGE

FROM THE DIRECTOR GENERAL

In the Name of God the Merciful the Compassionate,

Honorable Shareholders,

The Jordan Loan Guarantee Corporation (JLGC) enhanced its efforts during 2012 to play its critical role more effectively in the Jordanian economy to facilitate SMEs financing from commercial banks and other lending institutions through offering loan guarantees. An effort that enables SMEs to create new job opportunities to reduce unemployment rates. The company also strengthened its role in supporting the national exports by providing credit guarantees to exporters against the risk of non-payment by the importers.

Dear Shareholders,

The Jordan Loan Guarantee Corporation, and through its various loan guarantee programs, offered guarantees to 950 loans with a guaranteed value of JD 21.6 million in 2012. In addition to Guaranteeing 923 shipments through the Export and Domestic Credit Guarantee Programs with a guaranteed value around JD 106.9 million. These Shipments are divided to 849 export shipment valued at JD 103 million, and 74 domestic sales shipments valued at JD 3.9 million.

Dear Shareholders,

Despite continued slowdown in economic activity, banks and lending institutions, participating in the loan guarantee programs, submitted claims for bad loans worth JD 620 thousand in 2012, compared to JD 1.35 million in 2011; a decrease of 54% from last year.

Compensations paid for bad loans during 2012 have also decreased to around JD 365 thousand, compared with JD 1.06 million paid in 2011. The company has recovered JD 209 thousand in 2012 compared with recoveries amounting to JD 274 thousand in 2011.

JLGC also re-scheduled defaulted loans worth JD 2.08 million in 2012, compared with JD 2.99 million worth of re-scheduled loans in 2011.

Dear Shareholders,

These developments clearly reflected on the company's performance indicators due to the extraordinary effort made by all the employees of the company and the continuous support and guidance of the Board of Directors.

The Board of Directors adopted during 2012 a five- year strategic plan for JLGC with clear quantitative goals, policies and programs aimed collectively to achieve the goals of the establishment of the company efficiently and effectively.

As the 1st year of the strategic plan, 2012 represents the year of transition in the company's policies, where the company through a series of contracts and agreements with its main partners focused on a new approach of guaranteeing loan portfolios rather than individual loans using advanced and simplified procedures especially in the field of guarantee approvals and compensation payments.

The results of this year came consistent with the objectives of the adopted strategic plan which, with continued steady progress, will take JLGC to operational sustainability by 2016.

Dear Shareholders,

In conclusion, allow me to extend my sincere thanks and appreciation to the Chairman and members of the Board and to all employees of the Jordan Loan Guarantee Corporation on their dedication toward achieving the objectives of the company, petitioning the Almighty to protect Jordan under His Majesty King Abdullah II may God protect him.

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

Dr. Mohammed Al-Jafari
Director General

Summary Results of 2012 compared to 2011

Operational Activities

Loan Guaranteed during 2012 compared to 2011

Guaranteed Loans during the year	2012		2011	
	No.	Guaranteed value	No.	Guaranteed value
Productive Loans	698	14,505,212	447	8,105,941
Real Estate and Personal Loans	100	3,454,957	349	8,968,294
Total	798	17,960,169	796	17,074,235

Total Loan Guarantees (Executed & in Process) Guaranteed in 2012

Loan Type	Executed		in Process		Total	
	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value
Productive Loans	698	14,505,212	135	3,125,089	833	17,630,301
Real Estate and Personal Loans	100	3,454,957	17	599,796	117	4,054,753
Total	798	17,960,169	152	3,724,885	950	21,685,054

Outstanding Loan Guarantees at the end of 2012 vs. 2011

Outstanding Loan Guarantees	2012		2011	
	No.	Guaranteed Value	No.	Guaranteed Value
Productive Loans	1,060	21,179,018	819	14,009,427
Real Estate and Personal Loans	2,119	33,388,076	2244	35,191,118
Total	3,179	54,567,094	3063	49,200,545

Ceilings Granted to Banks

Ceilings Granted to Banks	2012		2011	
	Ceilings	Utilized	Ceilings	Utilized
Productive Loans	16,167,500	8,882,143	5,333,700	3,561,892
Real Estate and Personal Loans ceilings	42,546,498	33,388,077	42,844,186	35,191,119
Total	58,713,998	42,270,220	48,177,886	38,753,011

Summary of Exports & Domestic Sales Credit Guarantees for the Year 2012 Compared to 2011

Executed and Guaranteed Shipments during the Year 2012

Shipments Guaranteed During the Year	2012		2011	
	No.	Guaranteed Value	No.	Guaranteed Value
Export Credit Guarantees	849	102,998,343	1,151	110,892,715
Domestic Sales Credit Guarantees	74	3,943,282	139	6,844,045
Total	923	106,941,625	1,290	117,736,760

Guaranteed Shipments Portfolio at the End of the Year 2012

Guaranteed Shipments at Year's End	2012		2011	
	No.	Guaranteed Value	No.	Guaranteed Value
Export Credit Guarantees	269	2,325,000	339	2,641,130
Domestic Sales Credit Guarantees	36	175,000	55	408,521
Total	305	2,500,000	394	3,049,651

Summary of Claims Paid, Recoveries and Re-scheduling during the year 2012 Compared with 2011

Claims	2012	2011	Claims Paid	2012	2011
Loan Guarantee Dept.	525,102	937,140	Loan Guarantee Dept.	320,188	566,579
Industrial Finance Dept.	95,345	413,678	Industrial Finance Dept.	45,566	493,886
Exports Dept.	36,423	---	Exports Dept.	--	--
Total	656,870	1,350,818	Total	365,754	1,060,465

Re-scheduling	2012	2011	Recoveries	2012	2011
Loan Guarantee Dept.	828,662	1,089,098	Loan Guarantee Dept.	202,419	183,060
Industrial Finance Dept.	1,254,627	1,902,679	Industrial Finance Dept.	6,653	91,062
Exports Dept.	--	--	Exports Dept.	--	--
Total	2,083,289	2,991,777	Total	209,072	274,122

Revenues and Expenses

	2012	2011
Operational Revenues	759,712	640,857
Realized Financial Revenues	725,933	565,943
Other Revenues	700	13,815
Total Realized Revenues	1,486,345	1,220,615
Financial Assets measured at fair value through profit or loss revaluation	73,816	(47,115)
Total Revenues	1,560,161	1,173,500
(Less) General and Administrative Expenses	962,596	959,094
Gross Profit / (Loss)	597,565	214,406
(less) Provisions and other fees	314,338	474,723
(less) income tax	7,943	2,124
Profit (loss)	275,284	(262,441)

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

a. Main Activities

Jordan Loan Guarantee Corporation provides loan guarantees to improve the credit environment available to the economically viable small and medium sized enterprises and national exports through the following programs:

Productive Loan Guarantee Programs	Max. Loan Amount (JD)	Max. Payment Period (Month)	Guarantee Percentage (%)
SMEs Loan Guarantees	100,000	72	70%
Micro Loan Guarantees	15,000	36	70%
Industrial Loan Guarantees (EJADA)	550,000	96	70%
Leasing Guarantees (EJADA)	550,000	96	70%
"Kafala" Program	100,000	72	70%
Business loan Program	70,000	60	70%

Real Estate & Personal Loans Guarantee Programs	Max. Loan Amount (JD)	Max. Payment Period (Month)	Guarantee Percentage (%)
Real-estate Loan Guarantees	75,000	300	75%
Land Purchase Loan Guarantees	50,000	120	70%

Trade Guarantee Programs	Max. Shipment Amount (\$)	Max. Payment Period (Month)	Guarantee Percentage (%)
Export Credit Guarantees	4,000,000	6	90%
Domestic Trade Credit Guarantees	4,000,000	4	90%

b. JLGC's Location & Number of Employees

JLGC offices located in Amman - Shmeisani Area, Bldg. 24 Prince Shaker Bin Zaid Street. There are no other branches in or outside Amman. The JLGC programs and services are run by a staff of 35 employees.

c. Size of Capital Investment

Total size of Capital investment was JD 3,189,352 in 2012, in comparison with JD 3,243,359 in 2011.

2. Subsidiaries

There are no subsidiaries.

3. Members of the Board of Directors and Top Management: Names and Ranks with a Brief Resume of Each



a. Board of Directors

H.E. Dr. Maher "Sheikh Hassan"

Chairman (since 13 February 2012)

- Deputy Governor of the Central Bank of Jordan since 8 January 2012.
- PhD in Economics and Masters in Statistics / Washington State University / USA 2001.
- Masters in Economics / University of Jordan / 1996.
- Bachelor Degree in Economics / Yarmouk University / 1993.
- Won the "Exceptional Efforts" award from the International Monetary Fund.
- Headed and joined International Monetary Fund missions for evaluations and technical assistance to member countries.
- Assistant Section Head / Monetary Affairs and Capital Markets Department / International Monetary Fund / 2009.
- Economic Expert / Middle East and Near Asia / International Monetary Fund/2005.
- Governor's office Manager / Central Bank of Jordan.
- Executive Manager / Banking Supervision Department / Central Bank of Jordan.
- Banking Supervision Department / Central Bank of Jordan / 1994.
- Has many books and research papers on Monetary Policy, Inflation, Evaluation and Selection of Exchange Rates, Financial Assets Price Bubbles, and many others.

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

Chairman (until 12 February 2011)

- Governor of the Central Bank of Jordan until 9 January 2012
- Masters in Public Administration (Economic Development) Harvard University 1978
- Bachelor Degree in Economics 1973.
- Deputy Governor of Central Bank of Jordan.
- Managing Director and Board Member of the Deposits Guarantee Corporation.
- Head of Investment Department in the Arab Monetary Fund - Abu Dhabi.
- Acting Executive Director / Executive Director at the Central Bank of Jordan.
- Head of the Investment Department at the Central Bank of Jordan.
- Employee / Acting Section Head / Section Head / Assistant Head of the Investment Department at the Central Bank of Jordan.

H.E. Dr. Mohammed Lutfi Al Ja'fari

Vice Chairman

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

Mr. Adel Ibrahim Asa'ad

Board Member

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

Mr. Ne'meh Sabagh

Board Member

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

Mr. Ramzi Aref Dahabreh

Board Member

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

Mr. Tawfeek Abdel Kader Mukahal

Board Member

- Deputy General Manager / Banking Group / Jordan Kuwait Bank since 1991
- Executive Manager / Credit Marketing / Jordan Kuwait Bank.
- Deputy Chairman for the Jordan Mortgage Refinance Company.
- Board Member at the Jordan Steel Company.
- Board Member at National Electric Power Company.

Eng. Haitham Abdul Razzaq Hiyasat

Board Member (since 1 March 2012)

- General Manager and member of the Board of Directors of the Cities & Villages Develop. Bank.
- Assistant Secretary-General at the Ministry of Municipalities.
- Member of the local bodies of Europe and the Mediterranean basin (Italy, Palermo).
- Advisor to His Excellency the Minister of Municipal Affairs for Administration.
- Inspector General of the municipalities of the Kingdom.
- Director of Municipal Affairs (Central Aghwar/Southern Shouneh/Balqa province / Capital Governorate / Zarqa).
- Mayor of Municipalities (Mowaqar / Naour / Rusayfeh / Madaba / Faisaliah).
- Chairman of the Joint Services Board (Central Aghwar / South Shouneh / Balqa / Madaba).

Mr. Abdel Elah Al Hunaiti

Board Member (until 28 February 2012)

- General Manager of the Cities & Villages Development Bank until 28 February 2012
- Bachelor Degree in Law.
- Head of Administration Department in the Ministry of Rural Affairs.
- Head of the Internal Auditing Unit in the Ministry of Rural Affairs.

The JLGC Board of Directors held 7 meetings during 2012.



b. Top Management

Dr. Mohammed Al Jafari

Director General

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

Mr. Mohannad Al Rashdan

Assistant Director General for Technical & Operational Group

- Masters Degree in Financial Management in 2005, Bachelor Degree in Economics 1993.
- Credit Officer at the Housing Bank for Trade and Finance.
- Trainer in the field of SMEs at Institute of Banking studies.
- Works at JLGC since Oct. 1 1995.

Mr. Jamal Al Jafari

Loan Guarantee Department Manager

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

Mr. Zaid Al Kayed

Credit Guarantee Department Manager

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

Mr. Hekmat Mohanna

Industrial Finance Department Manager (EJADA)

- Masters Degree in Banking 2002, Bachelor Degree in Banking 1993.
- Assistant Manager / SME Credit Center / Bank of Jordan 1999-2010.
- Head of Foreign Affairs & International Relations /Cairo Amman Bank 1994-1995 .
- Works at JLGC since 7 June 2010.

Mr. Issa Al Tarayra

Finance Section Head

- Bachelor Degree in accounting 2002.
- Works at JLGC since 11/7/2004.
- External Auditor at the international professional office for auditing.

4. Largest Shareholders

Names of JLGC's largest shareholders owning 5% or more of total company shares by the end of 2012 in comparison with 2011

Shareholder	Number of Shares 2012	% of Share 2012	% of Share 2011	Utilized
Central Bank of Jordan	4,775,000	47,75%	4,775,000	47,75%
Cities & Villages Development Bank	525,000	5,25%	525,000	5,25%
Social Security Corporation	524,000	5,24%	524,000	5,24%

5. JLGC's competitive position

There are no specialized companies in Jordan providing loan guarantees or export credit guarantee. A new program, however, has been launched to guarantee loans in the Kingdom, which is run by (CHF) in favor of (OPIC). Some regional institutions in the Arab countries are providing export credit guarantee including Jordanian exports.

6. Dependence on 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. Government Protection or Concession Granted to JLGC

The Central Bank of Jordan grants Participating Banks utilizing the services offered by JLGC the following privileges:-

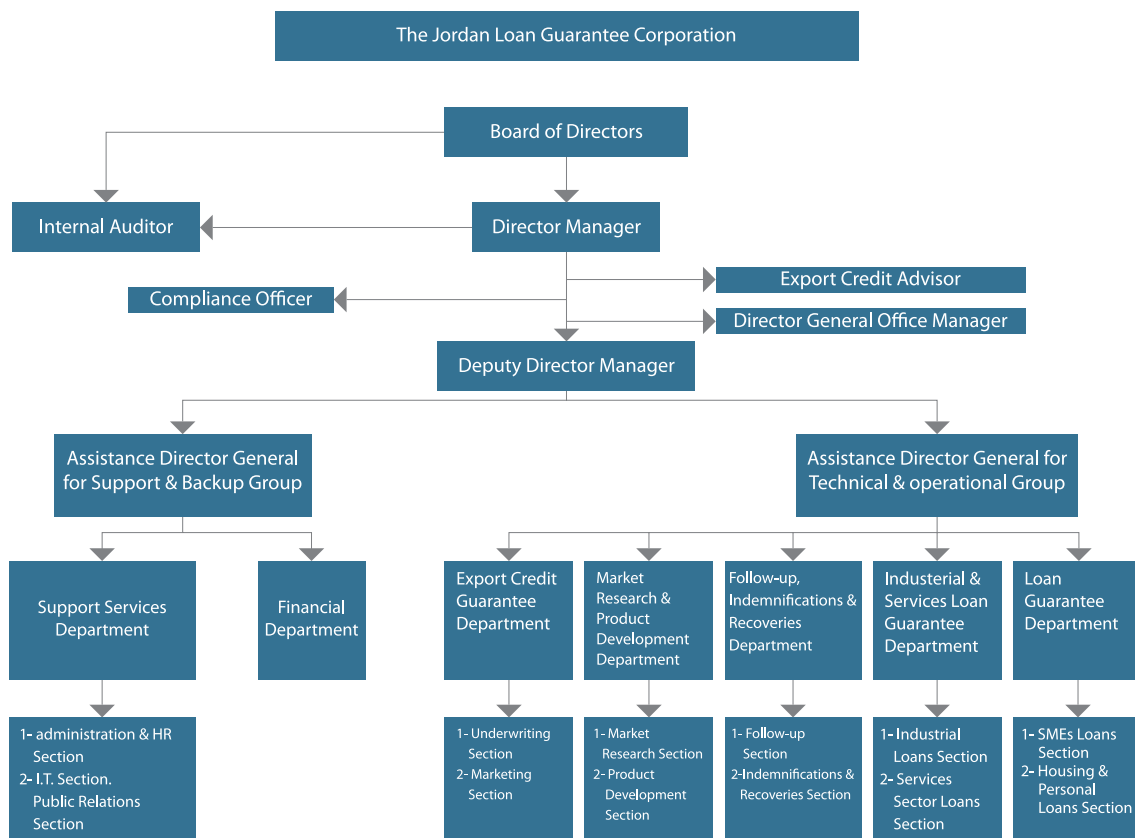
- Loans guaranteed by JLGC are exempted from general provisions required by the Central Bank of Jordan. Default loans are also exempted from the special provisions for the first year but have to be provisioned against starting the second year.
- Weighted average capital adequacy is adjusted by the amount of loans guaranteed by JLGC, with those loans have reduced risk weight similar to those extended against cash collateral.
- Credit exports contracts are exempted from stamp charges.
- JLGC revenues are exempted from all taxes and charges except for income tax.

8. Any Governmental Decisions 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 charges.
- The Council of Ministers decision number (438) dated 26/1/2010 exempted JLGC from sales and all other taxes and fees except for Income Tax.

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

A. Organizational Structure at the end of 2012





B. Number of Employees and their Qualifications at the End of 2012

The Number of employees in 2012 was 35 compared to 34 employees in 2011, with their qualifications as follows:

Year	PhD	Master Degree	High Diploma	Bachelor Degree	Inter-mediate Diploma	High School	Less than High School	Total
2012	1	5	1	19	2	4	3	35
2011	1	5	1	19	2	3	3	34

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

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

Year	Employees Turnover
2012	20.3%
2011	27.7%
2010	22.8%
2009	21.0%
2008	24.0%

C. Employees Training in 2012

To improve employee's qualifications, JLGC employees participated in the following training programs during the past 5 years:

Year	Number of Internal Programs	Number of Participating Employees	Number of External Programs	Number of Participating Employees	Total Training Cost
2012	19	13	7	9	15,187
2011	16	15	4	3	10,979
2010	19	11	4	4	7,727
2009	18	13	3	2	4,898
2008	30	20	7	6	18,967

10. JLGC's Financial Exposure

JLGC's provides guarantees for loans extended to small and medium sized enterprises, as well as for export credit. Accordingly, the company is exposed to default risks of SME loans and the non-payment risk of foreign buyers. In 2012 JLGC's payments for default loans reached JD 365,753 compared to JD 1,060,475 a year earlier.

11. Accomplishments Achieved During 2012

The Jordan Loan Guarantee Corporation offered through its various loan guarantee programs 950 loan guarantees for a guaranteed value of JD 21.6 million during 2012.

The outstanding guaranteed portfolio reached 3179 loans by the end of 2012 with a guaranteed value of JD 54.56 million, compared to 3063 loans with a guaranteed value of JD 49.20 million by the end of 2011.

The outstanding guaranteed portfolio at the end of the year 2012 consists of 1060 productive loans with a guaranteed value of JD 21.2 million, and 2119 housing & personal loans with a guaranteed value of JD 33.4 million.

On the other hand, JLGC guaranteed value of JD 106.9 million under the export and domestic sales credit guarantee programs in 2012 compared with 1290 shipments guaranteed in 2011 totaling JD 117.7 million.

The shipments guaranteed in 2012 are split into 849 export credit shipments worth JD 103 million and 74 domestic sales shipments worth JD 3.9 million.

JLGC received during 2012 compensation claims from participating banks and lending institutions for bad loans worth JD 620 thousand compared to JD 1.35 million claimed in 2011. While JLGC rescheduled guaranteed loans with a value of JD 2.08 million during 2012, compared to JD 2.99 rescheduled in 2011.

Compensation paid by the company for bad loans has also decreased to around JD 365 thousand down in 2012 from JD 1.06 million paid in 2011. The Company has recovered JD 209 thousand in 2012 compared with recoveries amounting to JD 274 thousand in 2011.

Total operating revenues for JLGC increased from JD 640.8 thousand in 2011 to JD 759.7 thousand in 2012 due to the increase in the loan guarantee portfolio and export credit guaranteed shipments. In addition, there was an increase in the company's investment income from JD 565.9 thousand to JD 725.9 thousand during the 2012 relative to 2011.

This has resulted into a net profit of JD 275 thousand in 2012 compared to losses of JD 262.4 thousand in 2011.

12. The Financial Impact of Non-Recurrent Transactions

There are no "non-recurrent" transactions.

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
2008	(1,205,485)	500,000	15,133,003	0.70
2009	954,607	400,000	14,777,837	0,65
2010	698,557	300,000	14,576,044	0,63
2011	(260,317)	0	14,011,458	0.47
2012	304,997	300,000	14,285,490	0,50

14. Analysis of JLGC's Financial Position

RATIOS	2112	2011	2010	2009	2008
Earnings per Share	0.028	-0,026	0,032	0.087	-0.105
Return on Investment	1.146%	-1,194%	1,38%	3.68%	-4.60%
Return on Shareholder's Equity	1.927%	-1,873%	2,17%	5.87%	-6.92%
Return on Paid Up Capital	2.753%	-2,624%	3,17%	8.68%	-10.47%
Holding Ratio	59.463%	63,741%	63,62%	62.68%	64.52%
Fixed Assets / Shareholder's Equity	22.326%	23,148%	22,61%	21.45%	1%
Rate of Indebtedness	1.818%	1,637%	1,90%	2.32%	2.64%
Liabilities to 3rd parties / Total Assets	40.537%	36,259%	36,37%	37.32%	35.50%
Liabilities to 3rd parties / Shareholder's Equity	68.171%	56,884%	57,18%	59.54%	55.11%
Current Liabilities / Shareholder's Equity	3.057%	2,568%	2,99%	3.70%	4.17%
Revenue / Total Assets	6.500%	5,3%	8,1%	9.00%	7.30%
Circulation Ratio	4689.552%	5124,458%	4436%	3621.53%	3623.51%
Working Capital (JD)	20,045,648	18,075,238	18,873,410	19,250,407	22,259,535

15. JLGC's Future Plans:

The company approved a five-year strategic plan, determined the goals on the medium term as below:

1. The company aims to reach operational sustainability during a balanced timeframe by improving operational revenues and controlling the expenditure.
2. Increase the company's efficiency in loan and credit export guarantees, and to improve underwriting systems and risk assessment, pricing and safe distribution of credit portfolios.
3. Increase the company's capabilities in financial risks management for the outstanding programs, and increasing the abilities of granting guarantees for amounts exceeding the current limits.
4. Provide guarantees to all economically viable sectors that create jobs and enhance the economic growth.
5. Improve the human resources system "training and qualifications" to match job description and requirements, and to find a motivating programs that help developing potentials to increase their efficiency, productivity and corporate loyalty.

JLGC's Policies and Procedures for Future Plans Implementation

- Increasing the limit of the guaranteed loan for SME's from JD 70 thousand to JD 100 thousand with a guarantee percentage of (70%).
- Increasing the limit of the guaranteed loan for Industrial finance from JD 430 thousand to JD 550 thousand with a guarantee percentage of (70%).
- Targeting companies that are specialized in financing and leasing and Islamic financial companies.
- Targeting companies that are specialized in Micro-financing.
- Expanding guarantee programs for the Industrial finance and leasing to include profitable economic sectors beside the industrial and services sector.
- Launching specialized programs with participating banks.
- Launching a guarantee product that is in line with the Islamic Shari'a.
- Introducing a guarantee product for entrepreneurs in association with the Development and Employment Fund (DEF).
- Moving gradually to portfolio guarantees in coordination with banks and financial institutions.
- Delegating authority to certain banks in granting loans without prior approval of the JLGC with specified limits of guarantee.
- Forming a specialized team from the operational departments at the company to handle marketing activities and periodic monitoring reports.
- Adapting a monthly marketing plan to be approved by the top management.
- Activating the role of follow up and recoveries department.
- Further improving of the company's database.



Analyzing the strength and weakness in dealing with the participating parties in the credit export guarantee program, and studying the possibility of:

- Establishing a section for underwriting to expand the activities of credit export guarantee department, to include risk operations analysis for different countries and importers.
- Establishing new programs for credit export guarantee and local sales, and seeking sources to finance as specialized guarantee fund covering political risks.
- Reconsidering the agreement of the outstanding shares percentage.
- Dealing with a wider database of reinsurance companies according to an optional reinsurance action to balance between both goals that are to increase returns and decrease risks on the company.
- Dealing with brokers.

16. External Auditing Fees

The total amount paid to the “Arab Professionals” as auditing fees in 2012 was JD 9,280 including a 16% sales tax compared to JD 9,280 in 2011.

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

None of the member of JLGC’s Board of Directors, top Management, or any of their relatives own any securities issued by JLGC.

18. Privileges Paid to the Board of Directors Members and Top Management

A. Privileges paid to the Chairman & the Board of Directors

Total amounts paid as transportation & travel allowance and annual bonus to the Chairman & Members of the Board of Directors in 2012 was JD 66,520 compared to JD 42,967 in 2011.

NAME	Bonus	Transportation Allowance	Travel Allowance	Committee Allowance	Total
H.E Dr. Maher, "Sheikh Hasan"	3,110	5,433	350	0	8,893
H.E Mr. M.Said Shahin	0	567	0	0	567
H.E Dr. Mohammed Al Jafari	3,110	6,000	0	0	9,110
H.E Eng. Haitham Abdul Razzaq Hiyasat	2,666	5,000	0	800	8,466
Mr. Abdel Elah Al Hunaiti	444	1,000	0	200	1,644
Social Security Corporation	3,110	6,000	0	0	9,110
Mr. Adel Ibrahim Asa'ad	3,110	6,000	0	800	9,910
Mr. Tawfeek Abdulqader Al Mukahal	3,110	6,000	0	600	9,710
Mr. Ne'meh Elias Sabagh	3,110	6,000	0	0	9,110
TOTAL	21,770	42,000	350	2,400	66,520

B. Privileges Paid to Top Management

Total amounts paid as salaries, travel allowance and annual bonus to the top management was JD 282,283 in 2012 compared to JD 312,257 in 2011.

Name and Job Titles	Salaries	Bonus	Travel Allowance	Committee Allowance	Total
Dr. Mohammed Al Jafari / Director General	96,967	0	3,500	0	100,467
Mr. Mohannad Al Rashdan / Assistant Director General for Technical & Operational Group	46,595	0	150	2400	49,145
Mr. Faeq Nassar / Assistant Director General for Support & Backing Group (until 8/7/2012)	50,777	0	0	0	50,777
Mr. Jamal Al Jafari / Loan Guarantee Department Manager	25,991	0	800	0	26,791
Mr. Hekmat Mohanna / Industrial Finance Department Manager	20,106	0	800	0	20,906
Mr. Zaid Al Kayed / Export Credit Guarantee Department Manager	17,288	0	800	0	18,088
Mr. Issa Al Tarayra / Financial section head	16,109	0	0	0	16109
Total	273,833	0	6,050	2,400	282,283

19. Donations and Grants

No donations or grants paid during 2012 and 2011.

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

Some of JLGC programs contributed in the development and improvement of transportation sector or enhancing machines or industrial equipments and targeting services and other sectors development that affects positively the local community.

b. Local Community Service

All JLGC programs serve the local community.



Operational Activities

Loan Guarantees

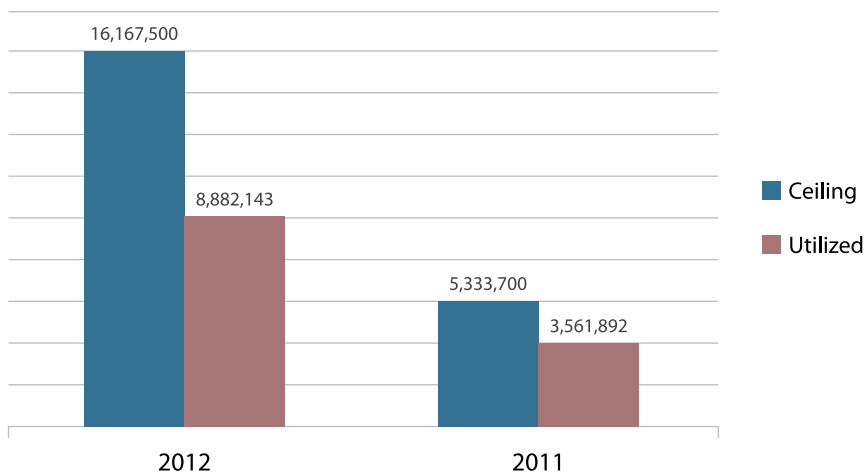
Loan Guarantees Ceilings and Utilized Amounts at the end of 2012 compared to 2011

	As on 31/12/2012			As on 31/12/2011			Change	
	Ceiling	Utilized	% Utilized	Ceiling	Utilized	% Utilized	Ceiling	Utilized
*Productive Loans Ceilings	16,167,500	**8,882,143	54.94%	5,333,700	3,561,892	66.78 %	10,833,800	5,320,251
Real Estate and Personal Loans Ceilings	42,546,498	33,388,077	78.47%	42,844,186	35,191,119	82.14 %	-297,688	-1,803,042
TOTAL CEILINGS	58,713,998	42,270,220	71.99%	48,177,886	38,753,011	80.54 %	10,536,112	3,517,209

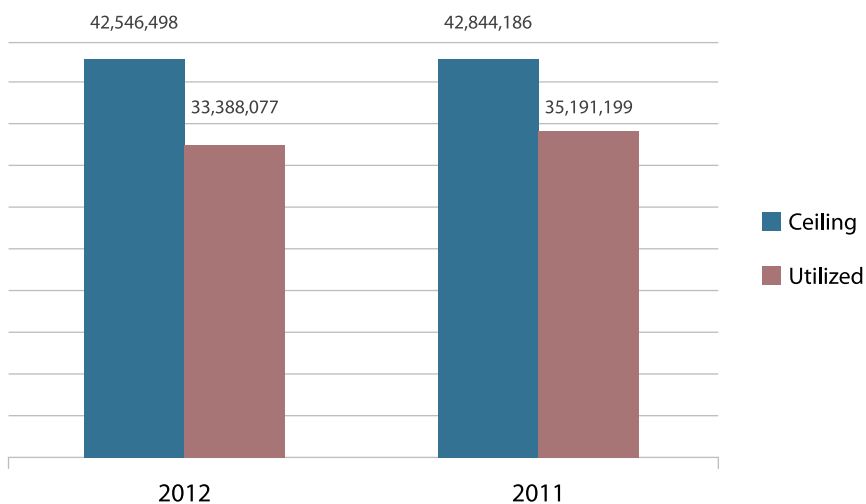
* Ejada's program: there are no determined ceilings for this program.

**Excluding Ejada's loans

Productive Loans Ceilings



Real Estate Loans Ceilings



Ceilings Offered to Banks & Utilized Amounts at the End of 2012 According to Banks & Lending Institutions

Banks	Productive Loans		Real estate and personal loans		Total Ceilings	
	Ceiling	Utilized	Ceiling	Utilized	Ceiling	Utilized
Jordan Kuwait Bank	150,000	158,330	50,000	24,319	200,000	182,650
Jordan Investment & Finance Bank	100,000	0	-	-	100,000	0
Jordan Ahli Bank	950,000	682,986	10,909,000	5,681,679	11,859,000	6,364,665
Jordan Commercial Bank	500,000	231,209	-	-	500,000	231,209
Islamic International Arab Bank	0	122,156	-	-	0	122,156
Arab Bank	1,250,000	155,009	39,998	39,998	1,289,998	195,007
Egyptian Arab Land Bank	27,000	0	312,000	195,901	339,000	195,901
Ahli Microfinance company	750,000	234,562	-	-	750,000	234,562
Union Bank	500,000	78,341	-	-	500,000	78,341
Bank of Jordan	380,000	272,382	7,000,000	6,026,532	7,380,000	6,298,915
Arab Jordan Investment Bank	150,000	0	150,000	21,427	300,000	21,427
Housing Bank	10,000,000	6,001,650	-	-	10,000,000	6,001,650
Cairo Amman Bank	610,500	662,892	19,075,500	16,540,212	19,686,000	17,203,104
ABC Bank	100,000	102,254	5,010,000	4,858,008	5,110,000	4,960,262
Societe General Bank	700,000	180,371	-	-	700,000	180,371
Total	*16,167,500	**8,882,143	42,546,498	33,388,077	58,713,998	42,270,220

* Ejada's program: there are no determined ceilings for this program.

**Excluding Ejada's loans

Total Loans Guaranteed During 2012 According to Loan Type

Loan Type	Executed		Under Execution		Both Executed and Under Execution	
	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value
Productive Loans	698	14,505,212	135	3,125,089	833	17,630,301
Real estate Loans	100	3,454,957	17	599,796	117	4,054,753
Total	798	17,960,169	152	3,724,885	950	21,685,054

Loans Guaranteed (Executed) During the Year 2012 Vs. 2011

Guaranteed Loans Executed During the Year According to Loan Type

Productive Programs	2012		2011		Change (JD)		Change (%)	
	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value
Pharmacies Loans	5	46,400	-	-	5	46,400	-	-
SMEs Loans	233	3,182,018	393	*2,910,942	-160	271,076	-40.71%	9.31%
Business Loans	298	4,870,250	-	0	298	4,870,250	-	-
Micro Loans	90	208,842	-	0	90	208,842	-	-
Kafala	9	122,156	-	0	9	122,156	-	-
Productive Programs Ejada's Loans								
Leasing	21	2,006,864	20	1,385,889	1	620,975	5.00%	44.81%
Industrial Finance	42	4,068,682	34	3,809,110	8	259,572	23.53%	6.81%
Total	698	14,505,212	447	8,105,941	251	6,399,271	56.15%	78.9%

*For the year 2011, SMEs loans Included: Business loans and Micro loans.

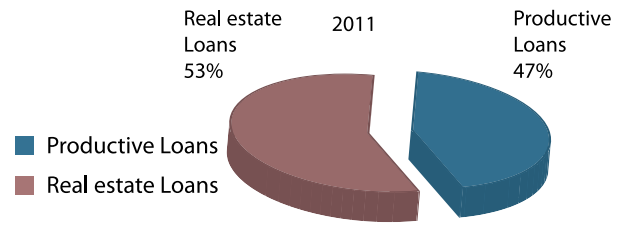
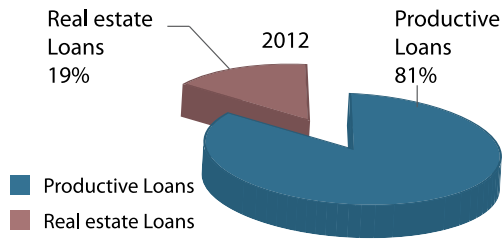
Real estate and Personal Loans	2012		2011		Change (JD)		Change (%)	
	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value
**Housing Loans	97	3,346,455	348	8,950,794	-251	-5,604,339	-72.13%	-62.61%
Urban Development Loans	1	22,500	-	-	1	22,500	-	-
Land Purchase Loans	2	86,002	1	17,500	1	68,502	100.00%	391.44%
Total	100	3,454,957	349	8,968,294	-249	-5,513,337	-71.35%	-61.48%

** For the year 2011, Housing Loans included Urban Development Loans.

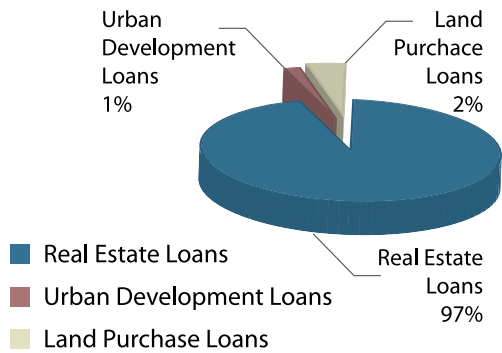
TOTAL LOANS	2012		2011		Change (JD)		Change (%)	
	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value
ALL LOANS	798	17,960,169	796	17,074,235	2	885,934	0.25%	5.19%



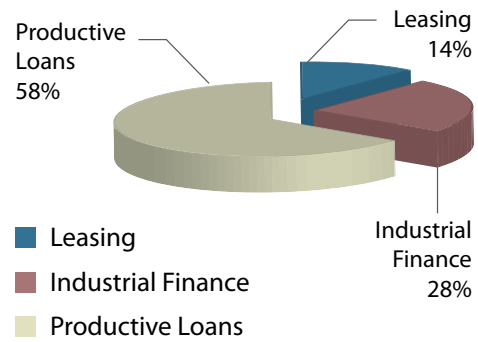
Charts Display the Distribution of Executed Loans during 2012 vs. 2011



Real Estate Distribution chart for the Year 2012



Executed Guaranteed Productive Loans Distribution Chart by Program for the Year 2012



Loan Guarantees Distribution during by the end of 2012 According To Banks & Lending Institutions

Bank / Lending Execution	Productive Loans		EJADA Loans		Real Estate and Personal Loans		TOTAL	
	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value
Jordan Kuwait Bank	5	144,200	1	48,857	-	-	6	193,057
Jordan Ahli Bank	16	260,200	5	801,850	-	-	21	1,062,050
Jordan Commercial Bank	6	184,800	4	305,814	-	-	10	490,614
Islamic International Arab Bank	9	122,156	-	-	-	-	9	122,156
Arab Bank	5	87,500	1	313,082	-	-	6	400,582
Ahli Microfinance company	69	279,111	-	-	-	-	69	279,111
Union Bank	6	135,101	3	218,635	-	-	9	353,735
Bank of Jordan	12	255,747	9	684,691	19	647,086	40	1,587,525
Housing Bank	365	6,004,489	3	285,470	-	-	368	6,289,959
Cairo Amman Bank	140	865,362	17	1,054,848	37	1,126,698	194	3,046,908
ABC Bank	1	70,000	3	247,557	44	1,681,173	48	1,998,730
Societe General Bank	1	21,000	2	354,863	-	-	3	375,863
Al Ahli Leasing Co	-	-	9	1,150,467	-	-	9	1,150,467
Tamkeen Leasing Co.	-	-	6	609,412	-	-	6	609,412
Total	635	8,429,666	63	6,075,546	100	3,454,957	798	17,960,169

Outstanding Guaranteed Portfolio at the Year End 2012 compared to 2011 According to Loan's Type

Productive Programs	2012		2011		Change (JD)		Change (%)	
	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value
Pharmacies Loans	15	150,804	-	-	15	150,804	-	-
* SMEs Loans	494	4,073,841	690	3,561,892	-196	511,949	-28.41%	14.37 %
Business Loans	301	4,385,274	-	-	301	4,385,274	-	-
Micro Loans	89	150,068	-	-	89	150,068	-	-
Kafala	9	122,156	-	-	9	122,156	-	-
Total Productive Programs	908	8,882,143	690	3,561,892	218	5,320,251	31.59%	149.37%
Productive Programs Ejada's Loans								
Leasing	66	5,224,435	57	5,289,365	9	-64,930	15.79%	-1.23%
** Industrial Finance	86	7,072,440	72	5,158,170	14	1,914,270	19.44%	37.11%
Total Productive Loans / Ejada	152	12,296,875	129	10,447,535	23	1,849,340	17.83%	17.70%
Total Productive Loans	1060	21,179,018	819	14,009,427	241	7,169,591	29.42%	51.17%

*For the year 2011, SMEs loans Included: Business loans and Micro loans.

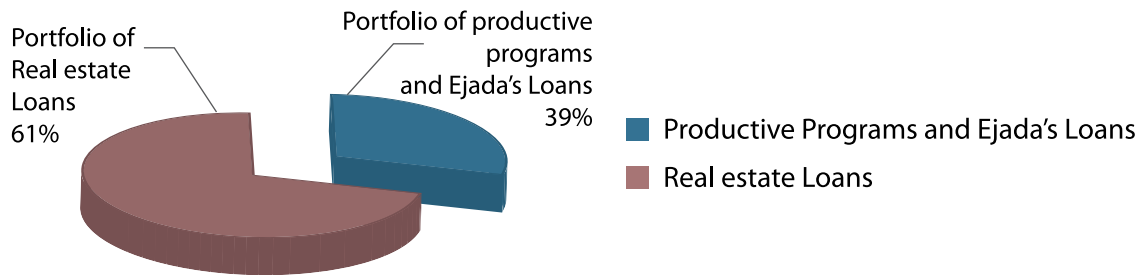
**For the year 2011, Working Capital Loans Portfolio has been added to Industrial finance portfolio

Real Estate and Personal Loans	2012		2011		Change (JD)		Change (%)	
	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value
Housing Loans	2076	33,111,771	2218	35,093,266	-142	-1,981,495	-6.40%	-5.65%
Urban Development Loans	25	130,761	-	-	25	130,761	-	-
Land Purchase Loans	8	143,334	8	95,529	0	47,805	0%	50.04
PC Loans	10	2,211	18	2,323	-8	-112	-44.44%	-4.82%
Total	2119	33,388,076	2244	35,191,118	-125	-1,803,042	-5.57%	-5.12%

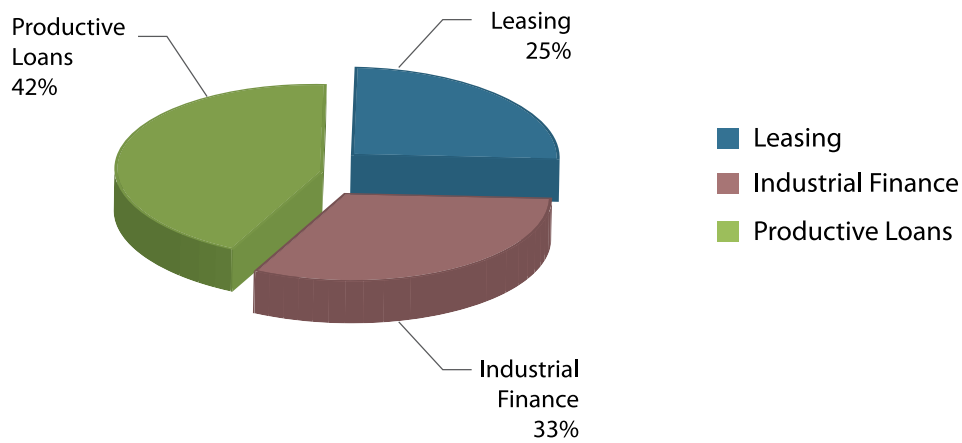
TOTAL	2012		2011		Change (JD)		Change (%)	
	No.	Guaranteed Amounts	No.	Guaranteed Amounts	No.	Guaranteed Amounts	No.	Guaranteed Amounts
ALL PROGRAMS	3,179	54,567,094	3063	49,200,545	116	5,366,549	3.78%	10.90%

Breakdown of the Outstanding Guarantees

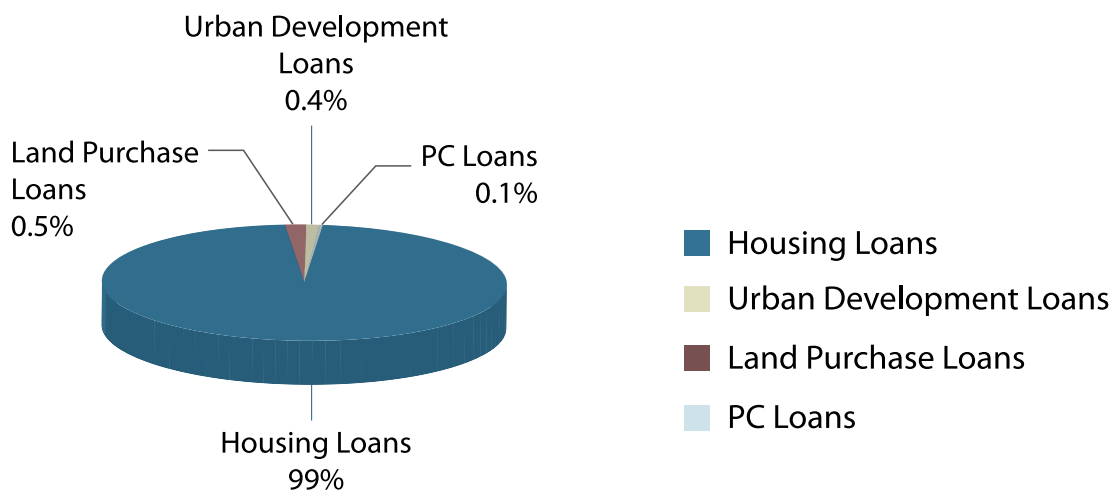
Total Guarantees Outstanding



Productive and Ejada's loans



Real Estate Loans



Outstanding Guaranteed Portfolio Distribution as of End 2012 According to Bank / Lending Institution

Bank / Lending Institutions	Productive Loans		EJADA Loans		Real Estate and Personal Loans		TOTAL	
	Number of loans	Guaranteed Amounts	Number of loans	Guaranteed Amounts	Number of loans	Guaranteed Amounts	Number of loans	Guaranteed Amounts
Jordan Ahli Bank	53	682,986	20	1,847,033	361	5,681,679	434	8,211,698
Cairo Amman Bank	161	662,892	25	1,526,494	1,109	16,540,212	1,295	18,729,598
Housing Bank	446	6,001,650	5	713,103	-	-	451	6,714,753
Bank of Jordan	20	272,382	24	1,247,093	422	6,026,532	466	7,546,008
Union Bank	6	78,341	4	518,539	-	-	10	596,880
ABC Bank	4	102,254	6	409,247	169	4,858,008	179	5,369,510
Jordan Kuwait Bank	8	158,330	2	119,208	6	24,319	16	301,858
Jordan Commercial Bank	17	231,209	5	510,819	-	-	22	742,028
Arab Bank	11	155,009	7	642,852	9	39,998	27	837,860
Islamic International Arab Bank	9	122,156	-	-	-	-	9	122,156
Societe General Bank	22	180,371	9	532,708	-	-	31	713,079
Egyptian Arab Land Bank	-	-	-	-	42	195,901	42	195,901
Arab Jordan Investment Bank	-	-	-	-	1	21,427	1	21,427
Al Ahli Leasing Co	-	-	36	3,292,782	-	-	36	3,292,782
Arab National Leasing Company	-	-	1	109,889	-	-	1	109,889
Tamkeen Leasing Co.	-	-	8	827,107	-	-	8	827,107
Ahli Microfinance company Company	151	234,562	-	-	-	-	151	234,562
Total	908	8,882,143	152	12,296,875	2,119	33,388,076	3,179	54,567,094



Outstanding Guaranteed Portfolio Distribution by the end of 2012 According to Geographical Area

Area	Productive Loans		Ejada's Loans		Housing & Personal Loans		TOTAL	
	Number of loans	Guaranteed Value	Number of loans	Guaranteed Value	Number of loans	Guaranteed Value	Number of loans	Guaranteed Value
Amman	511	4,595,902	149	12,221,637	1,527	26,216,152	2,187	43,033,691
Balqa	35	387,911	-	-	72	757,697	107	1,145,608
Irbid	191	2,036,066	-	-	137	1,679,019	328	3,715,085
Karak	18	274,936	1	11,627	55	647,267	74	933,831
Maan	5	74,605	-	-	24	210,555	29	285,160
Tafleeh	10	111,000	-	-	15	107,153	25	218,152
Zarqa	86	649,415	1	52,500	82	1,068,979	169	1,770,894
Mafraq	22	280,547	-	-	26	424,967	48	705,515
Madaba	7	50,598	1	11,111	29	323,239	37	384,947
Jerash	9	144,271	-	-	38	381,750	47	526,021
Ajloun	3	127,653	-	-	7	53,108	10	180,761
Aqaba	11	149,240	-	-	107	1,518,191	118	1,667,431
Total	908	8,882,143	152	12,296,875	2119	33,388,076	3,179	54,567,094

Export and Domestic Credit Guarantee Guaranteed Contracts

Guaranteed Contracts Signed during 2012 vs. 2011				
Program	Number of Contracts		Value of Contracts (JD)	
	2012	2011	2012	2011
Export Credit	17	21	139,000,000	140,000,000
Domestic Sales Credit	2	3	16,166,700	24,402,700
TOTAL	19	24	155,166,700	164,402,700

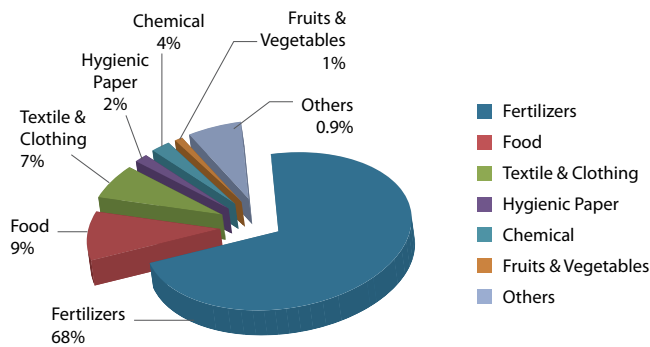
Guaranteed Shipments

- By PROGRAM

Guaranteed Export Shipments and Domestic Sales during 2012 vs. 2011						
Program	Number of Shipments		Value of shipments (JD)		Guaranteed Value (JD)	
	2012	2011	2012	2011	2012	2011
Export Credit	849	1151	105,998,343	113,156,953	102,998,343	110,892,715
Domestic Sales Credit	74	139	4,530,564	6,981,900	3,943,282	6,844,045
TOTAL	923	1290	110,528,907	120,138,853	106,941,625	117,736,760

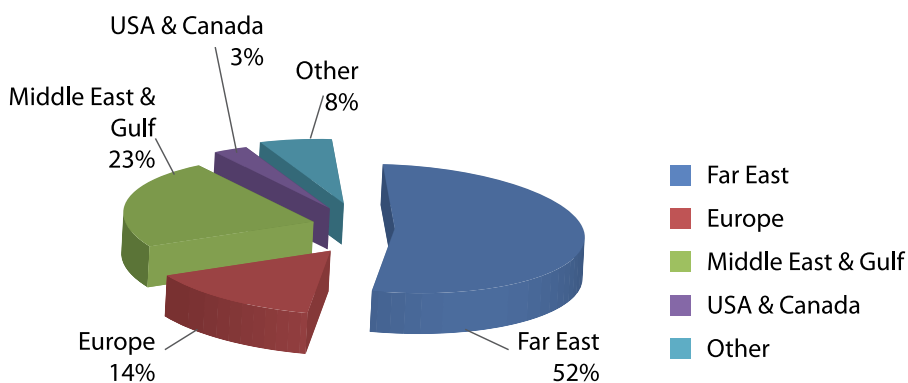
- By SECTOR

SECTORIAL DISTRIBUTION OF GUARANTEED SHIPMENTS		
Sector	2012	2011
	%	%
Fertilizers	68%	65%
Food	9%	8%
Textile & Clothing	7%	10%
Hygienic paper	2%	6%
Chemical	4%	3%
Fruits & Vegetables	1%	2%
Others	9%	6%
TOTAL	100%	100%



- By GEOGRAPHICAL AREA

GRAPHICAL DISTRIBUTION OF GUARANTEED SHIPMENTS		
Area	2012	2011
	%	%
Far East	52%	60%
Europe	14%	8%
Middle East & Gulf	23%	20%
USA & Canada	3%	7%
Other	8%	5%
TOTAL	100%	100%





Outstanding Guaranteed Shipments at the End of 2012 vs. 2011

Outstanding Guaranteed Portfolio According to Program						
Program	Number of Shipments		Value of Shipments (JD)		Guaranteed Value (JD)	
	2012	2011	2012	2011	2012	2011
Export Credit	269	339	2,457,000	2,759,867	2,325,000	2,641,130
Domestic Sales Credit	36	55	184,000	439,692	175,000	408,521
TOTAL	305	394	2,641,000	3,199,559	2,500,000	3,049,651

Claims Paid, Recoveries and Re-Scheduled Loan (Loan Guarantee Programs)

Loan Type	By Program			
	Submitted	Claims Paid	Recoveries	Re-scheduling
Housing Loans	390,631	229,036	161,958	644,332
Productive Loans	133,236	91,152	30,014	184,330
PC Loans	1,235	0	0	0
Car Loans	0	0	10,448	0
Industrial Finance	95,345	45,566	6,635	333,377
Leasing Loans	0	0	0	921,250
TOTAL	620,447	365,754	209,054	2,083,289

By Bank / Lending Institution				
Bank / Lending Institution	Submitted	Claims Paid	Recoveries	Re-scheduling
Jordan Ahli Bank	229,396	50,348	0	684,987
Jordan Commercial Bank	0	0	12,600	0
Bank of Jordan	52,914	52,340	3,627	43,870
Arab Bank	0	0	900	0
Housing Bank for Trade and Finance	24,002	11,782	12,545	11,760
Egyptian Arab Land Bank	12,628	0	0	0
Ahli Microfinance company	16,471	6,090	3,969	0
Cairo Amman Bank	170,642	169,405	168,778	409,572
Societe General Bank	114,395	75,789	0	11,850
ABC	0	0	6,635	0
Al Ahli Leasing Co.	0	0	0	921,250
TOTAL	620,447	365,754	209,054	2,083,289

By Geographical Area				
Area	Submitted	Claims Paid	Recoveries	Re-scheduling
Amman	345,322	158,626	144,909	1,876,820
Irbid	4,866	33,270	7,553	11,760
Zarqa	132,908	74,978	993	0
Balqa	62,313	48,532	201	0
Madaba	0	0	14,053	0
Ramtha	0	0	12,600	0
Aqaba	75,038	50,348	28,746	194,709
TOTAL	620,447	365,754	209,054	2,083,289

Delayed Payments Analysis of Guaranteed Loans at the End of 2012

Productive Loans Payment delays					
Debt Delay Rating	Delay	Payments Overdue	Guaranteed Balance	Payments Overdue/ Balance of Outstanding Loans	Guaranteed Balance / Outstanding Guaranteed Portfolio
		(JD)	(JD)		
Early Warning	60-89 Days	47,831	343,327	0,389%	3896%
Below Average	90-179 Days	8,638	34,865	0,070%	0,396%
Doubtful	180-359 Days	77,497	62,591	0,630%	0,710%
Bad	Over 360 Days	228,774	192,864	1861%	2189%
Balance of Outstanding Loans =		12,292,539			
Outstanding Guaranteed Portfolio =		8,811,188			

EJADA Loans Payment delays					
Debt Delay Rating	Delay	Payments Overdue	Guaranteed Balance	Payments Overdue/ Balance of Outstanding Loans	Guaranteed Balance / Outstanding Guaranteed Portfolio
		(JD)	(JD)		
Early Warning	60-89 Days	109,989	463,693	0,555%	3771%
Below Average	90-179 Days	259,410	437,774	1309%	3560%
Doubtful	180-359 Days	10,024	9,903	0,051%	0,081%
Bad	Over 360 Days	88,888	59,836	0,449%	0,487%
Balance of Outstanding Loans =		19,814,732			
Outstanding Guaranteed Portfolio =		12,296,875			

Real Estate Loans Payment delays					
Debt Delay Rating	Delay	Payments Overdue	Guaranteed Balance	Payments Overdue/ Balance of Outstanding Loans	Guaranteed Balance / Outstanding Guaranteed Portfolio
		(JD)	(JD)		
Early Warning	60-89 Days	77,646	892,258	0,169%	2687%
Below Average	90-179 Days	96,706	330,172	0,210%	0,994%
Doubtful	180-359 Days	354,977	218,118	0,771%	0,657%
Bad	Over 360 Days	602,173	362,609	1307%	1092%
Balance of Outstanding Loans =		46,064,248			
Outstanding Guaranteed Portfolio =		33,209,684			

All Loans Payment delays					
Debt Delay Rating	Delay	Payments Overdue	Guaranteed Balance	Payments Overdue/ Balance of Outstanding Loans	Guaranteed Balance / Outstanding Guaranteed Portfolio
		(JD)	(JD)		
Early Warning	60-89 Days	235,466	1,699,278	0,301%	3128%
Below Average	90-179 Days	364,754	802,811	0,467%	1478%
Doubtful	180-359 Days	442,498	290,612	0,566%	0,535%
Bad	Over 360 Days	919,835	615,309	1177%	1133%
Balance of Outstanding Loans =		78,171,519			
Outstanding Guaranteed Portfolio =		54,317,745			

- For export and domestic sales program, no claims, indemnifications, recoveries and rescheduling made during the years 2012 and 2011



Revenues & Expenses

Operational Revenues in 2012 vs. 2011

REVENUE	JD		
	2012	2011	Change
Real estate Loan Guarantee Fees	286,916	295,449	-8,533
Productive Loan Guarantee Fees	158,752	67,784	90,968
Working Capital Loan Guarantee Fees	945	0	945
Industrial Finance & Leasing Loan Guarantee Fees	114,488	85,261	29,227
Export & Domestic Credit Guarantee Fees	198,611	192,363	6,248
Total Operational Revenues	759,712	640,857	118,855

Realized Financial Revenues in 2012 vs. 2011

REVENUE	JD		
	2012	2011	Change
Interest on Deposits	174,543	415,678	-241,135
Interest on Debentures	0	13,967	-13,967
Returns from Investment in Shares	0	48,000	-48,000
Interest from Investment in Bonds	547,909	88,298	459,611
Gain from Sale of Financial Assets	3,481	0	3,481
Total Realized Financial Revenue	725,933	565,943	159,990

Total Realized Revenues in 2012 vs. 2011

REVENUE	JD		
	2012	2011	Change
Operational Revenues	759,712	640,857	118,855
Realized Financial Revenues	725,933	565,943	159,990
Other Revenues	700	13,815	-13,115
Total Realized Revenue	1,486,345	1,220,615	265,730

Un-Realized Financial Revenues in 2012 vs. 2011

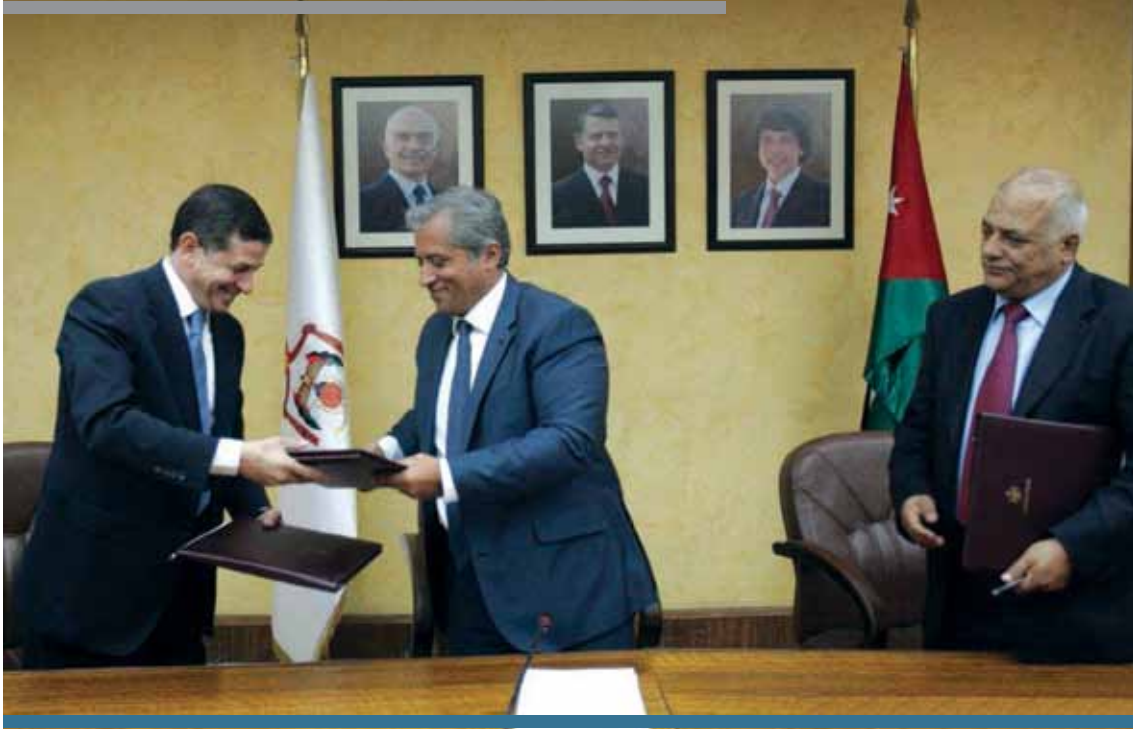
REVENUE	JD		
	2012	2011	Change
Financial assets measured at fair value through profit or loss revaluation	73,816	-47,115	120,931
Total Un-Realized Financial Revenue	73,816	-47,115	120,931

General & Administrative Expenses in 2012 vs. 2011 and

Expenses	JD		
	2012	2011	Change
Salaries and wages	574,215	603,253	-29,038
JLGC's contribution in saving fund	44,825	48,819	-3,994
JLGC's contribution in social security	56,785	50,315	6,470
Official duties abroad	14,843	11,008	3,835
Training	15,189	10,979	4,210
Rent	785	747	38
Water & Electricity	17,823	15,147	2,676
Post & Telephone	12,695	16,534	-3,839
Depreciation	55,959	57,033	-1,074
Marketing expenses	17,757	13,545	4,212
Professional fees	28,230	16,578	11,652
Maintenance	9,471	7,511	1,960
Vehicle expenses	8,441	12,024	-3,583
Subscriptions	33,147	28,656	4,491
Stationary and printing	11,095	9,979	1,116
Hosting	3,500	5,092	-1,592
Board Members Transportation	46,800	45,367	1,433
Other expenses	11,036	6,507	4,529
Total General and Administrative Expenses	962,596	959,094	3,502

GROSS PROFIT IN 2012 vs. 2011

Gross Profit	JD		
	2012	2011	Change
Total Revenues	1,560,161	1,173,500	386,661
(less) General and Administrative Expenses	962,596	959,094	3,502
Gross Profit / Loss	597,565	214,406	383,159



JLGC's business activities in 2012

- **Loan guarantee programs:** -
JLGC raised the ceiling of loans guaranteed for the SME's to JD 100 thousand instead of JD 70 thousand for the Productive Loan Guarantee Programs, and from JD 430 thousand to JD 550 thousand for Industrial Financing and Leasing programs (EJADA). The decision came in response to the increasing demands of SME in the Kingdom and in coordination with local banks and financial lending institutions.
- **New agreements/programs:-**
- **"Kafala" Program:**
The Jordan Loan Guarantee Corporation launched a new program "Kafala" which provides loan guarantees to financing small and medium-sized enterprises by banks and financial institutions that operate according to the Islamic Sharia principles. Through this program, JLGC expanded its services to enable a large segment of small and medium-sized enterprises to access the necessary financing in accordance to the provisions of Islamic rules.
The Islamic International Arab Bank was the first bank to benefit and to contribute to the development of this program, and the first to sign "Kafala" program loan guarantee agreement with JLGC.
- **JLGC signs an agreement for SMEs loan guarantee fund :**
JLGC signed an agreement with the Ministry of Planning and International Cooperation, to provide entrepreneurs and owners of small and medium sized enterprises (SMEs) with guarantees when they apply for financing from the Development and Employment Fund (DEF).

According to the agreement, co-signed by H.E. Minister of Planning and International Cooperation Dr. Ja'far Hassan, and Development and Employment Fund (DEF) Director General Eng. Omar Al Omari, the ministry will allocate JD 1 million for this purpose and the funds will be deposited at the JLGC account. The ministry will allocate additional JD 0.25 million to support the fund.

The fund seeks to increase productivity and to enhance development in the country, particularly in poor areas. The DEF will offer medium and long term financing to feasible enterprises, while the JLGC will guarantee up to 70% of each loan, as many SMEs face difficulties in securing credit due to their inability to meet guarantee requirements.

- **Agreement signed with Ejara Leasing Company**

Signing this agreement is a continuation of JLGC efforts to guarantee various forms of financing offered to different small and medium economic projects; including leasing which is considered to be one of the widely used methods of financing of long term assets. It enhances business abilities for owning and upgrading their machinery, equipments and production lines.

This agreement is expected to increase the volume of credit facilities granted by Ejara Leasing Company to productive economic projects, with a financial ceiling reaching JD 550 thousand based on the feasibility and cash flows of those projects. Ejara Leasing Company is a private shareholding company with a total capital of JD 20 million. The company is a member of Jordan Kuwait Bank Group. It began its operations in October 2011 to finance various economic sectors through capital lease.

- **The Launching of " Express Loan" and " Business Loan for SMEs"**

Through joint efforts the Jordan Loan Guarantee Corporation and the Arab Bank have launched the first-two programs, the "Express Loan" and the "Business Loan for SMEs".

These loan guarantee programs will open up new prospects for the bank's customers from the owners of small and medium-sized enterprises wishing to obtain the necessary financing to expand and revitalize their business, but lack necessary collaterals.

- **Marketing activities**

- JLGC intensified its visits to banks and financing institutions to emphasize the company's role in facilitating the necessary financing for small and medium enterprises, including the new guarantee programs introduced in 2012. Also JLGC held a series of workshops for SME's credit and relevant departments to present guarantee programs and related JLGC activities.
- JLGC conducted several site visits to exporting companies in the industrial zones for the purpose of promoting credit export and local trade programs.

- On the occasion of the holy month of Ramadan, and in honor of a number of Jordanian Exporters, the Jordan Loan Guarantee Corporation (JLGC) with the support of the Jordan Enterprise Development Corporation (JEDCO) organized an Iftar in (the twentieth of Ramadan) at the Kempinski Hotel - Amman, to acquaint the Jordanian Exporters with the Export Credit Guarantee Programme, run by (JLGC).

Important regional and international meetings and activities

- [Egyptian Credit Risk Guarantee Company visit](#)

In order to open new prospects in loan guarantee program and expanding knowledge about the projects guaranteed by the Egyptian Credit Risk Guarantee Co. and the mechanism used, a team from JLGC consists of Mr. Jamal Al Ja'fari , Loan Guarantee Manager and Mr. Rami Al Samardali / Follow up and claims section head and the Credit officer at the Loan Guarantee dept. Mr. Samer Al Ro'ud visited the Egyptian company on March 3, 2012.

During their visit to Egypt, JLGC's employees also visited CGC Consult and met with the seniors at the company as well.

- [The second meeting of the UFM High level Working Group on Guarantees](#)
The Director General Dr.Mohamad Al Ja'fari participated in the second meeting of the UFM High Level Working Group on Guarantees to set up Euro-Mediterranean Guarantee Network as a result of the first meeting conclusions set earlier in 2011, the meeting was held in Barcelona - Spain on March 19, 2012.

A memorandum of understanding was signed following the meeting, the document constitutes the initial outline of understanding in order to move towards the development of Euro-Mediterranean insurance network which was created by one of the union's initiatives and aimed mainly at increasing the capacity of loan guarantee systems through sharing experiences and exchanging of best practices between the southern and northern Mediterranean countries.

The countries concerned are: Lebanon, Egypt, Morocco, Tunisia, Algeria, the West Bank and Jordan.

- [Visit to the Lebanese Company \(Kafalt\)](#)

Delegates from JLGC visited the Lebanese Company " Kafalat " during the period of April 29 until May 3, 2012 Mr. Hekmat Mohanna - Industrial & services finance Manager accompanying Mrs. Lina Al Nsour, head of SMEs section and also Mrs. Diana Al Jariri , Credit officer at the industrial finance dept. discussed methods of experience sharing and introducing the new techniques of similar companies in the Middle East.

- [Eco-Efficient Economy / Tools for Sustainable Industrial Development](#)

This workshop was arranged in coordination between US Embassy & USAID - JORDAN to guide industry leaders and government officials toward the new trends

in saving energy, creating opportunities in financing and improving the economic tools to reach the sustainable development.

The workshop was held in May 2012 in Amman under the patronage of H.E Dr. Yaseen Khayat, Minister of Environment and H.E. Mr. Sami Gammoh / Minister of Industry Mr. and the chairman of Jordan Chamber of Industry H.E. Mr. Hatim Al Halwani. Dr. Mohamad Al Ja'fari represented JLGC at that workshop.

- [Prague Club Spring Meeting](#)

Dr. Mohamed Al Ja'fari attended Prague Club spring meeting 2012 which was held in Almata, Kazakhstan during the period May 20-23, 2012

The meeting was hosted by KazExportGrant Export , Credit insurance corporation JSC in co-ordination with the Secretariat of the Berne Union. It was attended by various Prague Club members from different countries and speakers/panelists as well as officials from the Secretariat of the Berne Union.

- [SMEs Training in Kuwait](#)

The International Monetary Fund (IMF) organized a training entitled with "Improving Access to Finance for SMEs in the MENA area" held in Kuwait on the 15th October 2012. Loan Guarantee Manager Mr. Jamal Al Ja'fari and Mr. Hekmat Mohanna the Manager of Industrial & services finance dept. attended the training on behalf of Jordan Loan Guarantee Corporation.



- [Economic and Financial Forum for the Mediterranean](#)

Dr. Mohammed al-Ja'fari represented JLGC at the Economic and Financial Forum for the Mediterranean, which was held in Milan - Italy on the 12 of November 2012.

During the forum the launch of the Euro-Mediterranean development center for micro, small and medium-sized projects was announced, Milan Chamber of Commerce in association with the Italian government and number of other entities declared their support for the center. The main aim behind launching the center is to stimulate the partnership between public and private sector while supporting the micro, small and medium-sized projects through exchanging knowledge and experiences in order to reach the sustainable development.

- [The 3rd Annual Meeting of AMAN UNION](#)

Dr. Mohamed Al Ja'fari took part in the third annual meeting of the Aman Union of Arab and Islamic ECAs, which was held in Kuala Lumpur during the period of 20-22 November 2012. Hosted by the EXIM Bank Malaysia, the meeting was also attended by experts from credit and political risk insurance, reinsurance, banking and credit information agencies. Participants shared their ideas and experiences on the credit insurance business and its best practices.

JLGC was one of the founding members of the Aman Union which operates under the support of the Islamic Corporation of Export and Investment Credit (ICIEC) and the Arab Investment and Export Credit Guarantee Corporation (Dhaman). Among other founding members are ECAs from Malaysia, Tunisia, Turkey, Algeria, Egypt, Indonesia, Oman, Lebanon, Sudan and UAE. The membership has now grown to include many other Arab and Islamic countries.



Disclosure related to Guide on Corporate Governance of listed companies in the Amman Stock Exchange

The Jordan loan Guarantee corporation abides by all rules and items of the corporate governance guidelines, except:

Item 1:

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

This item is applied in part and reason is:

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



Representation

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

Chairman of the Board	Deputy Chairman	Member	Member
Dr. Maher " Sheikh Hasan "	Dr. Moh'd Al Ja'fari	Adel Assad	Ramzi Dahabra
			

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	Deputy Chairman	Member	Member
Dr. Maher " Sheikh Hasan "	Dr. Moh'd Al Ja'fari	Adel Assad	Ramzi Dahabra
			

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

Chairman of the Board	Deputy Chairman	Financial Section Head
Dr. Maher " Sheikh Hasan "	Dr. Moh'd Al Ja'fari	Issa Al Tarayrah
