

JORDAN LOAN GUARANTEE CORPORATION

THE TWENTY-SEVENTH ANNUAL REPORT
FOR THE YEAR ENDED
ON DECEMBER 31, 2020

Amman - Shmeisani - 24 Prince Shaker Bin Zaid St.

P.O.Box: 830703 Amman 11183 Jordan

Phone: 0096265625400

Fax: 0096265625408

mail@jlgc.com

www.jlgc.com



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



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

Contents

Message of JLGC	7
Chairman of the Board: Introductory Note	8-9
Summary of JLGC Results in 2020	10-12
BOD Report	13-34
Operational Performance	35-43
Financial Performance	44-46
JLGC Prominent and Signed Agreements in 2020	47-49
JLGC's Governance Report 2020	50-56
Financial Statements and Auditors Report for the year Ended 31 December 2020	57-89
Board of Directors Declarations 2020	90

Jordan Loan Guarantee Corporation

Limited Public Shareholding Company, established in accordance with the Jordanian Companies Law and registered in the Public Shareholding Companies Register under Number 242, on 26th March, 1994 with JD 7 million capital increased to JD 10 million in 1995 and then increased to JD 29,080,310 in 2016.

Our Vision

To Achieve leadership in credit guarantee and business development.

Our Mission

To enhance the opportunities for establishing and developing small and medium enterprises through providing the necessary guarantees to finance projects and providing guarantees for export credit and domestic sales within the parameters of financial sustainability.

Our Values

- Professional Commitment
- Integrity
- Empowerment
- Transparency
- Team Work
- Social Responsibility
- Trust



Chairman of the Board: Introductory Note



Dear Shareholders of the Jordan Loan Guarantee Cooperation (JLGC),

The year 2020 was an exceptional one by all standards. All national efforts joined forces to respond to the consequences of the Corona pandemic on the various economic sectors. This report reviews key contributions and measures taken by the Jordan Loan Guarantee Corporation (JLGC) with the support of the Central Bank and in cooperation with main partners to enhance the opportunities of small and startup firms to contain the effects of the pandemic during 2020. It also presents JLGC most important achievements in 2020 as illustrated by the results of its programs and financial statements on December 31, 2020 and the notes attached thereto.

The Corona pandemic has significantly affected the JLGC business structure, its programs and its business results during 2020. The recorded business results deviated from those expected at the beginning of the year. The most important change in JLGC business was the provision of guarantee for all funds granted within the Refinancing Program provided by the Central Bank of Jordan through banks operating in the Kingdom with an amount of 500 million dinars. In 2020, work in the Productive Loan Program declined due to the slowdown in market demand and the diversion of a large part of it to the National Program for Financing and Loan Guarantee to respond to the Corona crisis. JLGC continued to achieve growth in the Industrial Financing and Services and in the Startup Loans Programs despite the negative economic impact of the Corona pandemic. The performance of the Housing Loan Guarantee Program was within the expected levels in the budget, which assumed a continued decline in the guaranteed portfolio of this program. Despite the great economic challenges imposed by the pandemic on foreign trade, JLGC was able to increase the level of work in 2020 with a growth of 5.8% in the value of guaranteed shipments. Commissions collected from the program has witnessed a relatively high growth of more than 22% due to the reconsideration of the program's commission rate and JLGC high risk retention rate.

Dear Shareholders,

JLGC has achieved a 94% growth in its total revenues during 2020 compared to 2019. These revenues have reached 4,487 thousand dinars, compared to 4,100 thousand dinars in 2019. Operational revenues have also increased from 1,874 thousand dinars in 2019 to 2,366 thousand dinars in 2020, i.e., 146% of JLGC general and administrative expenses.

The pandemic had a clearer impact on compensation paid to the various programs. Compensation paid due to the pandemic have exceptionally increased during 2020 to reach 3,187 thousand dinars, compared to 1,898 thousand dinars in 2019. Compensations paid were mainly to the Productive Program, with a share of 63% of the total paid compensations during 2020.

JLGC, as final statements indicate, was able to achieve a net profit of 645 thousand dinars after tax during 2020, compared to 1,043 thousand dinars in 2019. The decline came mainly as a result of JLGC hedging in building guarantee allocations, noting that administrative and general expenses

have relatively maintained the same level during 2019. JLGC pre-tax profits in 2020 have reached 796 thousand dinars, compared to 1,273 thousand dinars in 2019.

The total shareholders' equity has increased from 36,580 thousand dinars at the end of 2019 to 37,223 thousand dinars at the end of 2020. JLGC assets at the end of 2020 have reached 781 million dinars, compared to 454 million dinars at the end of 2019. To continue with efforts aimed at increasing JLGC capital base, the Board of Directors recommended refraining from the distribution of JLGC dividends of 2020 business results.

Dear Shareholders,

As a source of great pride, JLGC has continued to carry out its national responsibilities and its developmental role despite the difficult consequences of the Corona pandemic. It has participated in the implementation of several initiatives taken by the Central Bank of Jordan in response to the crisis, including the financing programs provided by the Central Bank and the postponement of installments of debtors and project owners allowed by the Central Bank. This has allowed JLGC to continue to support small and medium-sized companies of high economic priority due to their great contribution to economic growth and employment.

In conclusion, I would like to thank our distinguished shareholders for their pivotal role in developing JLGC policies and programs through their representatives in the board of directors, and for their continuous support of JLGC. I also extend my sincere thanks and gratitude to our valued partners in the banking system, small and medium-sized companies operating in the Kingdom and national exporters for their continued trust in JLGC. Thanks are also extended to all our employees for their continuous efforts and dedication in serving their organization despite all circumstances. We assure you all of our constant desire to continue to accomplish the best results and achievements and to realize the foundational goals of JLGC to the fullest extent under our wise Hashemite leadership.

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

**Chairman of the Board
Dr. Maher "Al Sheikh Hassan"**



Summary of JLGC Results in 2020

Operational Results

Loan Guarantee Results:

Total Guaranteed Loans 2020 - 2019

Loan Type	2020		2019	
	No.	Guaranteed value	No.	Guaranteed value
Productive Loans	312	9,464,800	992	28,281,002
Industrial Finance Loans	218	18,200,416	218	18,821,687
Housing Loans	19	773,024	13	524,637
National Program - covid-19	5117	353,704,148	0	0
Total	5,666	382,142,388	1,223	47,627,326

Executed & In Process Loans Guaranteed in 2020

Loan Type	Executed		In process		Total	
	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value
Productive Loans	312	9,464,800	19	478,650	331	9,943,450
Industrial Finance Loans	218	18,200,416	7	852,650	225	19,053,066
Housing Loans	19	773,024	0	0	19	773,024
National Program - covid-19	5117	353,704,148	6	778,090	5,123	354,482,238
Total	5,666	382,142,388	32	2,109,390	5,698	384,251,778

Outstanding Loan Guarantee Portfolio 2020 - 2019

Portfolio	2020		2019	
	No.	Guaranteed Value	No.	Guaranteed Value
Productive Loans (small enterprises)	2,094	37,204,954	2702	49,027,381
Industrial Finance Loans	655	43,874,684	556	38,087,180
Housing Loans	938	15,504,396	1041	16,880,282
National Program - covid-19	5,070	327,586,015	0	0
Total	8,757	424,170,049	4,299	103,994,843

Ceilings Granted to Banks and Utilized 2020 - 2019

Ceiling	2020		2019	
	Ceiling	Utilized	Ceiling	Utilized
Productive Loans (small enterprises)	44,510,134	37,204,954	50,440,134	49,027,381
Housing Loans	24,565,505	15,504,396	26,335,906	16,880,282
Small Startups Loans	10,000,000	11,800,588	8,100,000	9,139,231
Renewable Energy	600,000	459,610	0	350,298
Total	79,675,639	64,969,548	84,876,040	75,397,192

Note: A ceiling for the renewable energy program was set with the Renewable Energy and Energy Efficiency Fund (JEREEF), at a value of 600 thousand dinars on 20/1/2020, as the fund was previously dealt with based on the utilized.

Export Credit Guarantee Results:

Guaranteed Shipments during 2020

Shipments	2020		2019	
	No.	Guaranteed Value	No.	Guaranteed Value
Export Credit Guarantees	1800	113,649,058	1515	107,431,481
Domestic Sales Credit Guarantees	2801	1,765,636	1280	1,052,556
Total	4601	115,414,694	2795	108,484,037

Guaranteed Shipments Portfolio 2020 - 2019

Guaranteed Shipments Portfolio	2020		2019	
	No.	Guaranteed Value	No.	Guaranteed Value
Export Credit Guarantees	567	35,350,755	501	35,360,400
Domestic Sales Credit Guarantees	1860	1,244,122	638	379,490
Total	2427	36,594,877	1139	35,739,890

Results of Claims, Claims Paid, Recoveries, Re-scheduling:

Claims	2020	2019	Claims Paid	2020	2019
Loan Guarantee Programs	2,583,553	2,513,919	Loan Guarantee Programs	2,236,888	1,304,619
Industrial Finance Programs	926,108	442,909	Industrial Finance Programs	867,030	484,026
Export Credit Program	11,529	236,818	Export Credit Program	48,083	114,330
Total	3,521,190	3,193,644	Total	3,152,001	1,902,975

Re-scheduling	2020	2019	Recoveries	2020	2019
Loan Guarantee Programs	25,870,586	19,421,342	Loan Guarantee Programs	286,123	407,070
Industrial Finance Programs	15,249,951	7,137,977	Industrial Finance Programs	194,578	164,945
Export Credit Program	0	0	Export Credit Program	0	0
Total	41,120,537	26,559,319	Total	480,701	572,015

Financial Results:

Revenues and Expenses	2020	2019
Operational Revenues	2,366,449	1,874,427
Investment Revenues	1,774,203	2,093,614
Other Revenues	346,590	132,425
Total Revenues	4,487,242	4,100,466
(Less) General and Administrative Expenses	1,624,305	1,649,834
Gross Profit / (Loss)	2,862,937	2,450,632
(less) Provisions and other fees	2,067,429	1,177,425
(less) income tax	150,489	230,104
Profit (loss)	645,019	1,043,103

Board of Directors Report

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

A. Main Activities

Loan Guarantee Programs

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

Productive Loans Guarantee Programs	Max. Loan Amount (JOD)	Max. Payment Period (Month)	Guarantee Percentage (%)
SMEs Loan Guarantees	250,000	72	70%
Micro Loan Guarantees	15,000	36	70%
Industrial Loan Guarantees (EJADA)	1,000,000	96	70%
Leasing Guarantees (EJADA)	1,000,000	96	70%
"Kafala" Program- Islamic Financing (Industries & services)	1,000,000	96	70%
"Kafala" Program- Islamic Financing (Trade)	250,000	72	70%
Entrepreneurship Financing Program	75,000	96	80%
Small Startups program	250,000	60	85%
Renewable Energy program	500 - 350,000	36-60	70%
National Program for Loan Guarantee to encounter Covid-19	1,000,000	42	85%

Housing Loans Guarantee Programs

Housing Loan Guarantees	75,000	300	75%
Land Purchase Loan Guarantees	50,000	120	70%

* Note: The partial guarantee principle is adopted in case the loan amount exceeds the maximum allowed

Export Credit Guarantee Programs:

The company provides guarantees for Jordanian exports against commercial and political risks and for domestic sales against the commercial risks of non-payment by the foreign importer or local buyer of the price of these export shipments or local sales, according to the following programs:

Export credit Guarantee Programs	Max. Shipment Amount (\$)	Max. Payment Period	Guarantee Percentage (%)
Export Credit Guarantees	11,000,000	6	90%
Domestic Credit Guarantees	4,000,000	4	80%

B. JLGC's Location & Number of Employees

JLGC offices located in Amman - Shmeisani Area, Building. No. 24 Prince Shaker Bin Zaid Street, Opposite to Citi Bank. The company has no branches in or outside Amman. JLGC programs and services run by a staff of 53 employees during the year 2020.

C. Size of Capital Investment

Total size of Capital investment was JD 3,032,532 in 2020 in comparison with JD 3,093,884 in 2019.

2. Subsidiaries

JLGC has 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 Khalil "Sheikh Hassan"

Chairman of the Board

Deputy Governor of the Central Bank of Jordan

Year of Birth: 1970

- PhD in Economics and Masters in Statistics / Washington State University / USA 2001.
- Masters in Economics / University of Jordan / 1996.
- Bachelor Degree in Economics / Yarmouk University / 1993.
- Deputy Governor of the Central Bank of Jordan since 8 January 2012.
- Assistant Section Head / Monetary Affairs and Capital Markets Department / International Monetary Fund / 2009-2012
- Economic Expert / Middle East and Near Asia / International Monetary Fund/ 2005-2009
- Executive Manager / Banking Supervision Department / Central Bank of Jordan / 2003-2005
- Banking Supervision Department / Central Bank of Jordan / 1994-2003
- Won the "Exceptional Efforts" award from the International Monetary Fund /2011
- Headed and joined International Monetary Fund missions for evaluations and technical assistance to member countries.
- Has many books and research papers on Monetary Policy, Inflation, Evaluation and Selection of Exchange Rates, Financial Assets Price Bubbles, and many others.

Mr.Kamal Ghareeb Abdul Rahim Al Bakri

Vice Chairman

General Manager of Cairo Amman Bank

Year of Birth: 1969

- Master's Degree in Management of International Banking and Finance from Salford Manchester / UK.
- Bachelor's Degree in law from the University of Jordan 1991.
- General Manager for Cairo Amman Bank since 2008.
- Chairman of the Board of Directors of the Jordan Express Tourist Transportation Company (JETT).
- Board member of Association of Banks in Jordan.
- Board member of the Jordan Insurance Company.
- Board member of National Real Estate Portfolio Securities.
- Chairman of the Directors of Tamallak Leasing.
- Board member of National Payments Council.
- Vice Chair at Network International.

H.E.Mrs. Nadia Helmi Hafez Al Sa'eed

Board Member

Chief Executive Officer, Bank al Etihad

Year of birth: 1965

- Master of Business Administration in Finance and Management Information Systems from the American University in Cairo in 1992.
- BA in Economics and Business Administration from the University of Jordan.
- Strategic Development Consultant, Etihad Bank.
- CEO of Dead Sea Development Corporation.
- Minister of Communications and Information Technology.
- Secretary General of the Ministry of Communications and Information Technology.
- Economic Adviser to the Minister of Communications and Information Technology.
- 10 years of experience in Etihad Bank in several positions including: Manager of Corporate Banking.
- Jordan Technology Group.
- Member in Najjar Group - Cairo.
- Vice Chairman of the Board of Directors of Etihad Financial Brokerage Company.
- Vice Chairman of the Board of Directors of Etihad Leasing Company.
- Board Member of Jordan Payment Systems Company.
- Board Member of Jordan Strategy Forum.
- Board Member of Endeavor Jordan.

Mr. Walid Muhiddin Al Samhouri

Board Member

EVP- Jordan Country Head - Arab Bank Plc

Year of Birth: 1962

- Master in Economics University of Jordan, Amman 1994.
- Bachelor Degree in Economics, Statistics & Public Administration - University of Jordan, Amman 1985.
- Senior Vice President – Credit Management, Gulf, Egypt & Subsidiaries.
- Credit Manager - Gulf, International branches & subsidiaries 2010-2011
- Various responsibilities and positions at the Arab Bank inside and outside Jordan since 1988.
- Chairman - Arab Sudanese Bank- Sudan.
- Board Member - Arab Tunisian Bank, Oman Arab Bank.

Dr. Khaldoun Abdullah Mahmoud Al Wishah

Broad Member

Executive Director, Open Market Operations and Public Debt Dept./ Central Bank of Jordan

Year of birth: 1970

- PhD in Finance / HULL University / UK 2009.
- Scientific Research Master in Business Administration / HULL University / UK 2006
- Master of Business Administration / Finance / University of Jordan 2000.
- Bachelor of Economics / University of Mustansiriya / Iraq 1992.
- Executive Director / Open Market Operations and Public Debt Dept. 2013 until now.
- Assistant Executive Director / Investments and Foreign Operations Dept. 2012.
- Head of External Loans and Grants Division / Investments and Foreign Operations Dept. 2010.
- Head of the Appropriations and Payment Agreements Division/ Investments and Foreign Operations Dept.
- Head of Foreign Remittances Division / Investment and Foreign Operations Dept.
- Senior Financial Analyst/ External Loans and Grants Dept./ Investments and Foreign Operations Dept. 2002.
- Senior Economist / Open Market Operations and Public Debt Dept. 2009.
- Primary Issues Officer / Open Market Operations and Public Debt Dept. 2005.
- Trader / Trading Room / Investment and Foreign Operations Dept.2003.
- Creditor and Payment Technician / Investments and Foreign Operations Dept.
- Part-time lecturer at several Jordanian universities since 2010 until now.
- Expert and lecturer on international and regional trade finance issues.
- Member of many committees inside and outside the Central Bank.

Mr. Tawfeek Abdel Kader Mukahal

Board Member

Deputy General Manager - Jordan Kuwait Bank

Year of Birth: 1951

- Bachelor degree in Economics and Commerce / University of Jordan 1969-1970
- Deputy General Manager of Jordan Kuwait Bank since 1991 until now.
- Executive Manager / Credit and Marketing / National Bank of Kuwait 1971-1990.
- Deputy Chairman for the Jordan Mortgage Refinance Company.
- Former Board Member at the Jordan Steel Company.
- Member of the Board of Directors of Al-Sharq Al-Arabi Insurance Company.
- Former Board Member at National Electric Power Company.
- Participated in advanced courses regarding international and commercial finance and advanced credit with Citi Bank in Greece 1980-1981.

Ms. Rana Rimon Jamil Al Sawalha

Broad Member

Executive Manager, Finance Group /The Housing Bank for Trade and Finance

Year of Birth: 1971

- Holds the CPA American Certified Public Accountant Certificate from Lions Accounting Board 1998.
- Bachelor's degree in Accounting - Business Administration - University of Jordan 1993.
- Total banking experience for more than 18 years.
- Executive Director - Financial Group at the Housing Bank for Trade and Finance since 10/2019.
- Vice President of Financial Group - Retail Business / External Branches at First Abu Dhabi Bank 1/2019 - 9/2019
- Chief Financial Officer (CFO) at National Bank of Abu Dhabi / Jordan from 10/2015 - 11/2018.
- CFO Chief Financial Officer (CFO) at Arab Banking Corporation from 10/2012 - 10/2015.
- Assistant Finance Manager at Arab Banking Corporation from 11/2001 - 09/2012.
- Director of Internal Auditing with the Arab Jordan Insurance Company from 01/2001 -11/2001.
- Internal auditor at Ernst & Young EY from 01/1994 - 05/2000

H.E.Dr. Ibrahim Hasan Mustafa Saif

Independent Board Member

Year of Birth: 1965

- Bachelor of Economics and Accounting, Yarmouk University, 1986
- Master of Economics University of London 1988
- Ph.D. in Economics, University of London, 2001
- Minister of Planning and International Cooperation 2013-2015.
- Minister of Energy and Mineral Resources 2015-2017.
- Researcher at the Carnegie Middle East Center 2009 - 2013
- Secretary General of the Economic and Social Council in Jordan 2009 -2012.
- Professor of Economics and Director of the Center for Strategic Studies at the University of Jordan 2002-2008

Dr. Adnan Hasan Issa Al Hindi

Independent Broad Member

Year of Birth: 1938

- Ph.D. Economics - Syracuse University 1976
- Master of Economics - University of Southern California 1968
- Bachelor of Business Administration - Cairo University 1964
- Executive Director / the Central Bank of Jordan 1964-1984
- Secretary General of Union of Arab Banks / Beirut Lebanon 1984-2000
- The Housing Foundation - Jordan 1978-1983
- Lecturer - University of Jordan - Part-time 1979-1981
- Lecturer, Amman National University, 2002-2004
- Director General, Institute of Banking and Financial Studies, Central Bank of Jordan, 1978-1983
- Member of the Board of Directors / Arab Institute for Banking and Financial Studies Beirut - Lebanon 1989-2000
- Member of the Board of Directors of the Association of Banks in Jordan 1979-1984.

H.E.Dr. Ismail Sa'eed Zaghloul

Independent Broad Member

Year of Birth: 1947

- PhD in Finance from Amman Arab University in 2003.
- Master Degree in Economics from Jordan University 1984.
- Bachelor Degree in Statics and Economy from University of Jordan 1970.
- Director General of the Department of Public Budget 2007-2013.
- Director of the Directorate of Economic Studies and Policies at the Ministry of Finance.
- Vice Chairman of the Board of Directors of Al Samra Power Generation Company.
- "General Inspector" at Department of Studies and Research at the Central Bank of Jordan.
- Director General of the Jordanian newspaper Al-Dustour.
- Vice Chairman of the Board of Directors of Jordan Dubai Islamic Bank.
- Executive Director / Islamic Development Bank / Jeddah, Saudi Arabia.
- Economist at the Central Bank of Qatar for the years 1985-1992.
- Member of several boards of directors of Jordanian and Arab institutions.

Mr. Khattab "Mohammed Khaled" Al Banna

Independent Broad Member

Board Member / Treasure of Amman Chamber of Commerce Board of Directors

Year of Birth: 1968

- Bachelor in Accounting.
- Board Member / Treasurer of Amman Chamber of Commerce Board of Directors.
- Board Member / Jordan Chamber of Commerce Board of Directors.
- Chairman of the Board / Salam Company for Media.
- Chairman of the Board / Khattab Mohammed AlBanna & Partners Company.
- Chairman of the Board / Khattab Mohammed Khaled Ibrahim AlBanna & Partner Company.

***** JLGC Board of Directors held 7 meetings during 2020**

B. Executive Management

Dr. Mohammed Lutfi Al Ja`fari

Director General

Date of Birth: 28/10/1962

- PhD in Finance / Manchester University / UK 1997
- Master's 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
- Chairman of the Broad of Directors – Innovative Startups and SMEs Fund (ISSF) since 2017
- Member of the Management Committee - Renewable Energy and Energy Conservation Fund - Ministry of Energy and Mineral Resources 2018-2019
- Representative of Loan Guarantee Schemes in MENA region at the World Bank Task Force to set the Principles on the design and implementation of PCGs for SMEs since 2015.
- Director General / Jordan Deposit Insurance Corporation / 2004 – 2011
- Commissioner for Finance & Administration in the Aqaba Special Economic Zone Authority 2002 – 2003
- Economic Researcher / Central Bank of Jordan / 1986 – 2001
- Member of the Executive Council in the International Association of Deposit Insurers (IADI)

Mr. Abdel Salam Faisal Al Nusair

Deputy Director General

Date of Birth: 6/10/1966

- Master of Finance and Banking / Arab Academy for Banking and Financial Sciences in 1997.
- Bachelor of Administrative Sciences / Accounting / Yarmouk University in 1988.
- Works in the company since 1/6/2016
- Director of Risk Management and Strategic Planning Department / Social Security Funds Investment Fund, 2005-2005
- Acting Director of Financial Control Department 2011
- Economist / Senior Financial Analyst in the Department of Foreign Investment and Operations / Central Bank of Jordan 1992-2005

Mr. Issa Ismail Al Tarayra

Finance Dept. Manager

Date of birth: 17/9/1980

- Bachelor Degree in accounting / Al Ahliya Amman University 2002.
- Working at JLGC since 11th July, 2004.
- Secretary of the Board at JLGC.
- External Auditor at the international professional office for auditing 2002 – 2004.

Mr. Rami Awwad Samardali

Director of Risk Management and Compliance Control Department

Date of Birth: 6/12/1978

- Bachelor Degree in Banking & Finance / Philadelphia University 2000.
- Working at JLGC since 20 June, 2005.
- Accountant at Arab Printers Company 2001 – 2005.

Mrs. Amal Mahmoud Jaradat

Credit Export Guarantee Department Manager

Date of Birth: 4/10/1971

- Bachelor Degree in Business Administration / University of Jordan 1993.
- Working at JLGC since 12th August, 2013.
- Director of Industrial Finance and Services Dept. until 2017.
- Project Manager of company's project with the International Finance Corporation (IFC) until 2015.
- Retail Credit Review Officer / Bank of Jordan 2006 – 2012.
- Credit Analyst / Bank of Jordan 1998 -2006.
- SMEs Instructor at the Institute of Banking Studies – Jordan.

Mr. Feras Mustafa Fayyad

Loan Guarantee Department Manager

Date of birth: 22/8/1970

- Master of Banking and Finance in 1998.
- High Diploma in Finance and Banking specialized in 1998.
- BA in Business Administration and Political Science in 1994.
- Certificate (CCLB) Lender Business Banker 2005.
- Works at JLGC since 26/11/2017.
- Commercial Relations Manager (Senior) / Dubai Commercial Bank - Abu Dhabi 2014-2017.
- Senior Customer Relationship Manager, Major Corporate Unit, Arab Bank, Dubai, 2013-2014.
- Deputy Director of Branch / Bank of Sharjah 2011-2013.
- Corporate Relationship Manager / Major Corporate Unit / Arab Bank - Dubai 2007-2011.
- Credit Analysis Officer - Major Companies / Jordan Commercial Bank 2005-2007.
- Commercial Facilities Monitor / Jordan Kuwait Bank 2001-2005.
- Banker - Commercial Facilities Department / Arab Egyptian Land Bank 1995-2001.

Mr. Tarek Talal Al Nabulsi

Follow ups, Indemnifications & Recoveries Department Manager

Date of birth: 20/7/1970

- Bachelor of Finance and Banking / Al Ahliyya Amman University 1994
- Works at JLGC since 25/9/2017.
- Recoveries officer / Abdali Boulevard 2017
- Credit Assistant / Citibank 2004-2014
- Executive Collection Director / Rouya Marketing Services 1998-2004
- Visa Department / Jordan Investment and Finance Bank 1994-1998

Mr. Jehad Younes Al Qdeimat**Support and Services Dept. Manager****Date of birth 3/4/1968**

- Master of Economics / Al-Bayt University 2002
- Bachelor of Economics and Statistics / Al Ahliyya Amman University 1994
- Works at JLGC since 1/4/2018.
- Chairman Advisor of the Board of Personnel / Arab International Company for Education & Investment 2016
- Manager of Human and Administrative Resources / Jordan United Press Company / Al Ghad 2014-2015
- Human Resources Manager / KITAB Company for Technology 2012-2013
- Human Resources Manager / HH Sheikh Saif Bin Zayed Al Nahyan's Special Office, 2010
- Human Resources senior officer / Qatrana Cement 2009-2010
- Development of workers in the tourism sector Director/ Ministry of Tourism and Antiquities 2009
- Senior officer - Resources Department / Arab Radio and Television Company 2007-2009
- Human and Administrative Resources Manager / Al-Ruban Trading Company 1998-2007

Mr. Saif Shibli Al Farah**Internal Audit Unit Manager****Date of Birth 8/12/1976**

- Master of Financial Management / Arab Academy for Banking and Financial Sciences 2002
- Bachelor of Business Administration / Mu'tah University 2000
- Works at JLGC since 1/3/2016.
- Internal Auditor / Specialized Investment Compounds 2013-2015
- Group Financial Controller / United Group Holding Company 2012-2013
- Financial Control and Operations Manager / Integrated Multi-Transport 2009-2011
- Senior Internal Auditor / Jordanian Equipment & Vehicles Company 2007-2009
- Chief Accountant / Logicem Jordan 2006
- Internal Auditor / Fine Paper Industries, 2003-2006

Mrs. Hanaa "Mohammed Mamdouh" Alshihabi**ISSD Follow-up Unit Manager****Date of birth 15/5/1970**

- Master of Finance and Banking / Arab Academy for Banking and Financial Sciences 2003
- Higher Diploma in Finance and Banking / Arab Academy for Banking and Financial Sciences in 2001
- Bachelor of Political Science / American University 1995
- Works at JLGC since 2/1/2018.
- Environmental Protection Fund Manager / Ministry of Environment 2010-2017
- Corporate Marketing Manager / Union Bank 2004-2009
- Senior Officer / Bank of Jordan 1998-2004
- Credit Officer / Save the Children Foundation 1995-1998
- Translator / CIPE 1995

4-Largest Shareholders and total company shares at 2020

Shareholder	2020		2019	
	Number of Shares	% of Share	Number of Shares	% of Share
Central Bank of Jordan	13,122,250	45.12%	13,122,250	45.12%
Arab Bank	1,966,281	6.76%	1,769,439	6.08%
Cairo Amman Bank	1,904,314	6.55%	1,734,424	5.96%
The Housing Bank for Trade and Finance	1,657,100	5.70%	1,480,618	5.09%

5. Competitive Position

There are no specialized companies in Jordan providing loan guarantees or export credit guarantee. 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

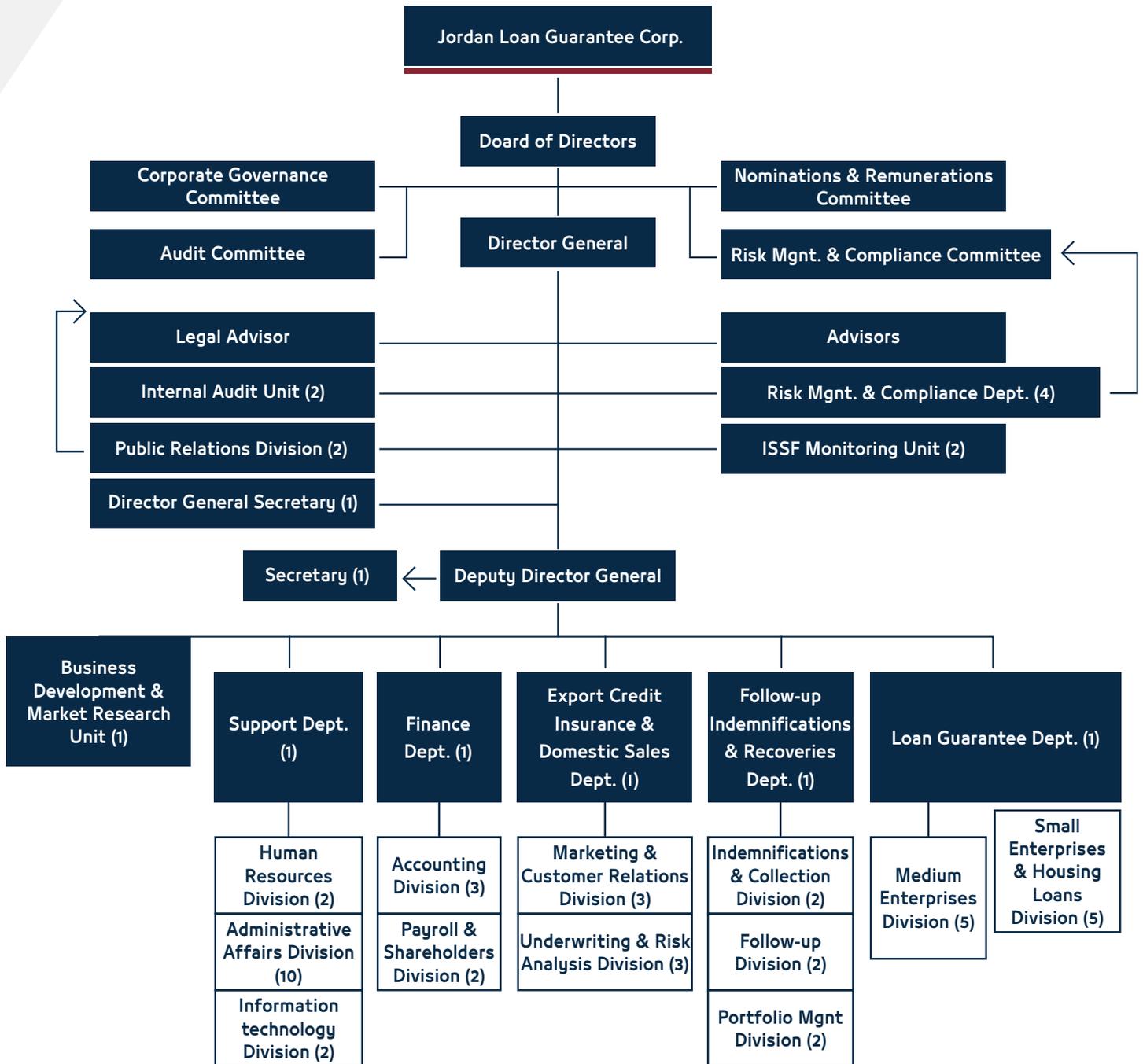
JLGC Services enjoy some privileges granted by the Central Bank of Jordan as the following:

- Generally, loans granted by banks and guaranteed by JLGC considered good and they 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.
- No Patents or Licensing Rights obtained by the JLGC in 2020.

8. Any Governmental Decisions with a Material Impact 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.
- No implementation of international quality standards in 2020.

9. JLGC Organizational Structure at the end of 2020



* Top Management Vacancies: (Advisors, Business Development and Market Research Manager)

Number of employees and qualifications in 2020

The Number of employees in 2020 was 53 in comparison with 51 at the end of 2019, distributed according to their academic qualifications as follows:

Year	PhD	Master Degree	High Diploma	Bachelor Degree	Intermediate Diploma	High School	Less than High School	Total
2020	1	8	1	32	4	3	4	53
2019	1	8	1	30	4	3	4	51

Vacancies are filled upon recommendations from JLGC Human Resources Committee and the approval of the Director General, according to his appointment powers contained in the personnel system in force. For senior management positions, upon the recommendation of the Director General to the Board of Directors.

The table shows employee's turnover during the past 5 years:

Year	Employees Turnover
2020	7.55%
2019	1.94%
2018	13.46%
2017	8.25%
2016	14.12%

Employees Training in 2020

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

Year	Number of Internal Training	Number of Participating Employees	Number of External Training	Number of Participating Employees
2020	25	26	2	3
2019	34	24	4	9
2018	47	41	7	12
2017	50	39	4	6
2016	37	21	5	12

10. JLGC Risk Exposure

Similar to other companies, risks are an essential part of the work of JLGC. This requires appropriate preventive and precautionary measures to manage those risks.

JLGC manages risks through a comprehensive strategy that takes into account best standards and practices. The general framework for risk management is based on identifying, understanding and evaluating risks facing the JLGC work, ensuring that they remain within acceptable levels, and taking necessary measures to reduce them to reach the optimal balance between risk and growth factors of the secured portfolio and return.

The importance of analysis in risk management should be noted. It is the process which enables knowing risks and analyzing them using the appropriate method and then developing appropriate solutions to remove the risk or reduce its effects. This process increases JLGC success and achieves its objectives with the least possible risks.

JLGC has a risk management policy approved by the Board of Directors. It is always updated to identify and analyze risks, set risk limits and controls, and monitor them by the Risk Management and Compliance Department. Among the most important risks facing JLGC in the field of guaranteeing the financing of productive economic projects and guaranteeing export credit, is the risk of non-payment by the borrower or the importer of Jordanian goods for credit related reasons or commercial reasons resulting from the decline in the performance of some economic sectors or external circumstances. The possibility of these risks increases as a result of the repercussions of the Corona crisis and this requires that JLGC maintains a sufficient amount of allocations. In this regard, JLGC has taken the initiative to increase these allocations in a way which enables it to survive any additional risks it may face.

11. JLG Accomplishments in 2020

JLGC has taken a series of measures and decisions in response to the Corona crisis and its repercussions on its activities and operational results.

1. The National Program for Financing and Guaranteeing Loans was launched in response to the Corona crisis with an amount of 500 million Jordanian dinars for all economic sectors operating in the Kingdom. The Central Bank provides funds and loans to banks with no interest to be given as loans with a maximum yearly interest rate/return of 2%. It was agreed that JLGC guarantees all these loans and financing in return for a guarantee commission of 0.35%. It should be noted that the Central Bank has provided JLGC with a loan of 300 million dinars at an interest rate of 0.5%. JLGC has invested this loan in government bonds with a return of 5.498% annually. The difference in return will be used as an allocation to cover the expected defaults of the program in accordance with the agreement signed with the Central Bank on 2/4/2020 after being approved by the JLGC board of directors at the beginning of the crisis in April of 2020.
2. JLGC board of directors decided to reduce the loan guarantee commission of the Industrial Finance and Services Program from 1.5% to 0.75%, and to the Startup Loan Guarantee Program from 1.0% to 0.75% for all loans and financing that will be guaranteed by JLGC from March 15, 2020 until the end of the 2020.
3. JLGC and all of its staff continued its work during the closure period inside its premises and remotely given the nature of its work and its economic importance at the national level although its programs have been affected by the Corona pandemic and it was able to make the following achievements:

- During 2020, JLGC, through the Small and Medium Enterprise Loan Guarantee Programs, has given guarantee to 530 loans with a nominal value of about 39.2 million Jordanian dinars. The number of existing guaranteed loans at the end of 2020 has reached 2,749 with a guaranteed value of about 81 million dinars.
- During 2020, JLGC, through the National Program in Response to the Corona Crisis has given guarantees to 5,113 loans with a nominal value of about 414.2 million Jordanian dinars. The number of existing guaranteed loans at the end of 2020 has reached 5070 with a guaranteed value of about 327.5 million dinars.
- The existing guaranteed portfolio at the end of 2020 was distributed to 2,094 productive loans with a guaranteed value of about 37.2 million dinars, 938 real estate loans with a guaranteed value of about 15.5 million dinars, 310 loans for industrial financing programs and services with a guaranteed value of about 32 million dinars, and 345 startup loans with a guaranteed value 11.8 million dinars.
- Despite the Corona pandemic, JLGC was able to continue working in the Export Credit Guarantee Program with its usual momentum, thanks to the continuous support of the Central Bank of Jordan, which contributed to maintaining and increasing the work volume in the year 2020 compared to 2019. The number of guaranteed export shipments increased to 1,800 with the value of 113,649 million dinars, compared to 1,515 shipments with the value 107.4 million dinars. Guarantees covered national exports to Saudi Arabia, Egypt, South Africa, Singapore, Switzerland, Kuwait, the United States of America and other countries. It should be noted that the accumulated balance of the program allocation, supported by the Central Bank, has reached 9,128,196 dinars, without any default. JLGC was also able to sign 7 new policies with industrial companies within the Export Credit Guarantee Program and 4 policies within the Local Sales Credit Guarantee Program. The Export Credit Guarantee Program achieved an increase in the level of work with a growth of 5.8% in the value of guaranteed shipments. Commissions received from the program recorded a relatively high growth of approximately 22% due to a review of the commission rate of the program and the increase in JLGC retention rate.
- JLGC paid compensation to banks in 2020 for non-performing loans amounting to 3,104 million dinars, compared to about 1.788 million dinars paid in 2019. It has also paid compensation with a value of 48 thousand dinars within the Export Credit Guarantee Program of 2020 compared to 114.3 thousand dinars paid in 2019.
- JLGC recovered about 481 thousand dinars from compensation paid during 2020, compared to recoveries amounting to about 572 thousand dinars during 2019. The value of rescheduled guaranteed loans has reached 41,112 million dinars in 2020, compared to 26.559 million dinars for rescheduled guaranteed loans in 2019.
- JLGC achieved a growth in its total revenues during 2020 of 9.4% compared to 2019. Revenues have reached 4,487 thousand dinars during 2020 compared to total revenues of 4,100 thousand dinars in 2019. Operating revenues have also increased from 1,874 thousand dinars during 2019 to 2,366 thousand dinars during 2020, forming 146% of the JLGC general and administrative expenses.

- According to its final statements, JLGC was able to achieve a net profit after tax of 645 thousand dinars at the end of 2020, compared to 1,043 thousand dinars in 2019. It should be noted that the general and administrative expenses have relatively maintained their same level during 2020. This is because there were no appointments made during this period, and due to control of most of the items of these expenses. It is also due to the fact that no marketing programs were implemented and most of the training programs were suspended in 2020 due to the Corona pandemic conditions. JLGC profits before tax in 2020 have reached 796 thousand dinars, compared to 1,273 thousand dinars in 2019.
 - The total shareholders' equity increased from 36,580 thousand dinars at the end of 2019 to 37,223 thousand dinars at the end of 2020. JLGC assets as at the end of 2020 have reached 781 million dinars, compared to 454 million dinars at the end of 2019.
4. JLGC has completed electronic connectivity process with all commercial and Islamic banks participating in some of its programs through the Web Access in order to facilitate work procedures, especially under conditions imposed by the Corona pandemic, making it important to activate the technological aspect remote work within the JLGC work program aimed at automating all its internal and external operations.
 5. No workshops or meetings were organized during 2020, and many marketing visits and official foreign missions were canceled in compliance with the defense orders and travel restrictions issued by the government in the wake of the Corona pandemic. However, JLGC has participated in a number of meetings, training programs and conferences using video communication techniques.

12. Financial Impact of Non-Recurrent Transactions which are not part of JLGC main Activities

There is no financial impact for operations of a non-recurring nature during the year 2020, and they are not included in the JLGC main activities.

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

Year	Net Profit before Taxes & other Provisions	Dividends Distributed to Shareholders	Shareholders Net Equity	Share Price
2016	433,615	-	33,585,401	0,870
2017	1,018,249	-	34,699,924	0,480
2018	908,627	-	35,560,004	0,460
2019	1,328,207	-	36,580,504	0,450
2020	850,508	-	37,223,147	1,000

14. Analysis of JLGC's Financial Status and the Results of its Activities during 2020

RATIO	2020	2019	2018	2017	2016
Earnings per Share	0,022	0,036	0.024	0.025	0.022
Return on Investment	0,083%	0.230%	0.286%	0.411%	0,373%
Return on Shareholder's Equity	1,733%	2.852%	1.960%	2.107%	0,804%
Return on Paid Up Capital	2,18%	3.587%	2.397%	2.514%	0,929%
Ownership Ratio	4,769%	8.062%	14.595%	19.529%	46,347%
Fixed Assets / Shareholder's Equity	8,147%	8.458%	8.986%	9.294%	9,581%
Rate of Indebtedness	1,057%	0.865%	1.309%	1.286%	1,626%
Liabilities to Total Assets	95,231%	91.938%	85.405%	80.471%	53,653%
Liabilities to Shareholder's Equity	1996,863%	1140.372%	585.143%	412.070%	115,763%
Current Liabilities / Shareholder's Equity	22,165%	10.725%	8.969%	6.583%	3,508%
Revenue / Total Assets	0,575%	0.904%	1.478%	1.669%	2,656%
Circulation Ratio	1265,114%	2061.535%	2201.634%	2431,8%	4355,090%
Working Capital (JD)	96,126,193	76,953,816	67,032,302	53,267,978	50,136,316

15. JLGC Important Developments and Future Plans in 2021

- As an embodiment of its vision, and to increase the efficiency of its various operational processes, improve its internal and external work procedures, optimize the energies and capacities of its human resources, and make maximum use of available technology, JLGC is looking forward, through a number of its future well-studied plans, to continuously develop its programs and services to achieve its strategic goals in 2021.

Among these plans are the following:

- At the beginning of 2021, the Central Bank will launch the Financing Program for Microfinance Companies. The National Program for Finance and Loan Guarantee in Response to the Corona Crisis has covered small and medium-sized companies but it did not cover microenterprises. This program aims at helping micro and small-sized companies, which could not get funds at affordable costs and terms from the Central Bank finance program, implemented by banks. The Central Bank will provide about 21 million dinars (\$30 million) for this purpose from the \$100 million loan provided to the Kingdom by the Arab Fund for Economic and Social Development. This amount will be provided to eligible companies without any interest. Intentions are that the government will transfer the loan interest to be paid to the Arab Fund and pay the interest that banks will receive in return for the re-lending process from the Central Bank to micro-companies. JLGC will guarantee all the financing granted within the program with a guarantee rate of 85% of the value of the financing in return for a guarantee commission of 1% for loans granted within the program with a guarantee of 85% of the value of the financing in return of a 1% commission for loans given on commercial basis and 0.55% for loans given in accordance with the provisions of Islamic Sharia. JLGC management expects granting a good percentage of the value of the program estimated financing by the end of 2021, assuming that the actual lending process will start as of the beginning of the third month of 2021 and will rise regularly and gradually to reach the expected level by the end of next year.

- Raising JLGC efficiency in export credit guarantee and benefiting from the Central Bank Advance Program in support of national exports. This will be done by enhancing JLGC marketing activity, intensifying communication with exporters in all economic sectors to provide them with necessary awareness of its role in supporting exporters, explain the privileges of the services provided, and offer products that encourage Jordanian exporters to get their exports insurance through JLGC.
- Targeting other productive sectors, most prominent of which are services, pharmaceuticals, food and plastics within the Export Credit Guarantee Program and strengthening marketing efforts at all levels targeting the fertilizers and chemical sectors, being the least affected by the Corona pandemic, despite the limited size of the market.
- Maintaining a guaranteed high-quality portfolio at the level of all programs and within JLGC acceptable risk levels, the development and introduction of new programs and products that meet the targeted growth ambition of JLGC's portfolios, as well as developing follow-up procedures to reach a portfolio with least fees and defaults.
- Introducing supportive programs for the financing of medium, small, micro and individual projects to mitigate the effects of the Corona pandemic in order to achieve stability, consistency and expansion of their businesses, and the entry of new investment businesses.
- Out of concern for maintaining the provision of an effective risk tool, JLGC will keep on following a continuous approach in developing various risk management policies and methodologies in 2021 in line with developments and international best practices leading to the mitigation of risk exposure and acceptable risk appetite levels.
- The restructuring of organizational units by developing tasks and responsibilities within specific job descriptions bound by professional skills and competencies required for each job and the rehabilitation of employees with current qualifications or skills that do not match the requirements of the existing organizational structure jobs.
- Developing JLGC's digital transformation strategy to cover all of its internal operations and its operations with business partners and complete the electronic connectivity.
- Developing the use of the ERP system as an integrated one, which responds to the various changes in the reinsurance structure of the Export Credit Guarantee Program, the newly developed programs and the trend of guaranteeing credit portfolios, and the issuance of detailed reports of the financial system.
- Strengthening the integrative partnership with the chambers of industry with the aim of increasing their services to the various productive sectors, especially the industrial sector.
- Strengthening the levels of efficiency and productivity of all employees, developing their capacities, improving their satisfaction level to perform their tasks in the required manner, motivate outstanding performers, develop the basic professional skills of the JLGS's employees, especially in computer applications and specialized job courses in financial analysis, credit study, auditing, risk management, information technology, marketing and promoting work values and ethics, etc...
- Developing joint business, exchange of local and international experiences in the field of loan guarantee and export credit, in a way that provides the appropriate opportunity to learn about the best international experiences and practices aimed at enriching JLGC's capacities and empowering its employees.

- Highlighting JLGC's image as a supporter of startups, small and medium enterprises, Jordanian exports, developing the its corporate identity, developing its website and gradually moving to digital marketing in digital advertising channels and social networking sites, and providing useful content for owners of small and medium enterprises and Jordanian exporters in the Kingdom.
- Organizing workshops, introductory seminars, periodic meetings, and participation in specialized exporters exhibitions aimed at consolidating the importance of the Loan Guarantee and Export Credit programs and the important role the JLGC plays for its main shareholders and partners.
- Continue the development of work mechanism in paying compensation, passing decisions electronically, development of procedures for obtaining refunds from paid compensation in coordination with the parties participating in the guarantee programs, and amending work procedures manual in line with the continuous development.
- Within JLGC's 2021 budget estimates, a 30% increase in operational revenues is expected and work in main programs is expected to expand. JLGC investment revenues are expected to decline due to a decrease in interest rates by 15.6%, while the budget estimates indicate an expected increase in administrative and general expenses by 12.9% to keep pace with the growth in the volume of business.

16. Auditing Fees

The total amount of auditing fees paid to the "Arab Professionals" in 2020 was JD 12,180 thousand compared to JD 11,600 thousand in 2019 including the 16% sales tax.

17. A statement that indicates the number of securities issued by the JLGC which owned by any member of its Board of Directors, any member of its Senior Executive Management or any of their relatives.

- None of the member of JLGC's Board of Directors or its Senior Executive Management or any of their relatives own any securities issued by JLGC.
- All members of JLGC's Board of Directors are Jordanians.
- All of JLGC Senior Executive Management personnel are Jordanians.
- No companies controlled by the members of JLGC's Board of Directors or its Senior Executive Management.
- The number of Securities issued by JLGC owned by members of JLGC Board of Directors in their Corporate Capacity.

Shareholder	2020		2019	
	Number of Shares	%of Share	Numbers of shares	%of Share
Central Bank of Jordan	13,122,250	45.12%	13,122,250	45.12%
Arab Bank PLC	1,966,281	6.76%	1,769,439	6.08%
Cairo Amman Bank	1,904,314	6.55%	1,734,424	5.96%
The Housing Bank for Trade & Finance	1,657,100	5.70%	1,480,618	5.09%
Bank al Etihad	1,313,784	4.52%	1,196,577	4.11%
Jordan Kuwait Bank	865,258	2.98%	788,066	2.71%
Amman Chamber of Commerce/ Independent member	200,000	0.69%	200,000	0.69%
H.E.Mr.Ismail Sa'eed Zain Zaghoul / Independent member	5,000	0.02%	5,000	0.02%
H.E.Mr. Ibrahim Hasan Mustafa Saif / Independent member	5,000	0.02%	5,000	0.02%
Mr. Adnan Hasan Issa Al Hindi / Independent member	5,000	0.02%	5,000	0.02%
Total	21,043,987	72.38%	20,306,374	69.82%

18. The benefits and remunerations of the Chairman, members of the Board of Directors, and Senior Executive Management in 2020

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

Total amounts paid as transportation, travel allowance, committee allowance and annual bonus to the Chairman and Members of the Board of Directors was JD 123,200 in 2020 compared to JD 113,914 in 2019.

NAME	Title	*Bonus	Transportation Allowance	Travel Allowance	Committee Allowance	Total
H.E.Dr. Maher "Sheikh Hasan"	Chairman	5,000	6,000	-	-	11,000
Mr. Kamal Ghareeb Al Bakri	Vice Chairman	5,000	6,000	-	-	11,000
Dr. Khaldoun Abdullah Al Wishah	Member	5,000	6,000	-	800	11,800
Mr. Walid Muhi Eddin Al Samhour	Member	5,000	6,000	-	-	11,000
The Housing Bank for Trade & Finance	Member	5,000	6,000	-	-	11,000
H.E.Mrs. Nadia Hilmi Hafez Al Saeed	Member	5,000	6,000	-	-	11,000
Mr. Tawfiq Abdul Qader Mohammed Al Mukahl	Member	5,000	6,000	-	-	11,000
H.E.Dr. Ismail Sa'eed Zain Zaghloul	Member	5,000	6,000	-	800	11,800
H.E.Dr. Ibrahim Hasan Mustafa Saif	Member	5,000	6,000	-	--	11,000
Dr. Adnan Hasan Issa Al Hindi	Member	5,000	6,000	-	-	11,000
Amman Chamber of Commerce	Member	5,000	6,000	-	600	11,600
TOTAL		55,000	66,000	-	2,200	123,200

B. Privileges Paid to The Senior Executive Management

The salaries and remunerations of the executive management amounted JD 564,862 and JD 542,774 during 2020 and 2019 respectively.

Name	Job Title	Annual Salaries	*Bonus	Travel Allowance	Committee Allowance	Total
H,E.Dr. Mohammed Lutfi Al Ja'fari	**Director General	161,193	34,600	0	0	195,793
Mr. Abdel Salam Faisal Al-Nusair	Deputy Director General	68,435	9,830	2,284	0	81,099
Mr. Issa Ismail Al Tarayra	Manager of Finance Dept.	29,535	4,138	0	3,000	36,673
Mr. Rami Awad Samardali	Risk Management and Compliance Control Dept. Manager	26,955	3,794	0	0	30,749
Mrs. Amal Mahmoud Jaradat	Export Credit Guarantee Dept. Manager	38,220	5,296	1,778	0	45,294
Mr. Feras Mustafa Fayyad	Loan Guarantee Dept. Manager	41,580	2,972	0	0	44,552
Mr. Tarek Talal Nabulsi	Indemnification & Follow up Dept. Manager	32,085	1,270	0	0	33,355
Mr. Jihad Younes Al-Qdaimat	Support and Services Dept. Manager	35,055	0	0	0	35,055
Mr. Saif Shibli Al Farah	Internal Audit Unit Manager	21,195	3,026	0	0	24,221
Mrs. Hanaa "Mohammed Mamdoh" Alshihabi	*** ISSF Follow-up Unit Manager	38,621	0	0	0	38,621
Total		492,874	64,926	4,062	3,000	564,862

*Annual Bonus for the year 2020.

**The Director General has a car and mobile owned by JLGC

*** Total Salaries for Mrs. Hanaa Shihabi paid from Innovative Startups Fund (ISSF)

19. Donations and Grants made by JLGC

No donations or grants paid during 2020.

20. JLGC Contracts, Projects and Engagements concluded with Subsidiaries, Sister Companies or Affiliates

There are no contracts, projects or engagements concluded with Subsidiaries, Sister Companies or affiliates or with the Chairman of the Board of Directors, members of the Board of Directors, the Director General or any employee of JLGC or their relatives.

21. JLGC Contribution to Environmental Protection and Local Community Service

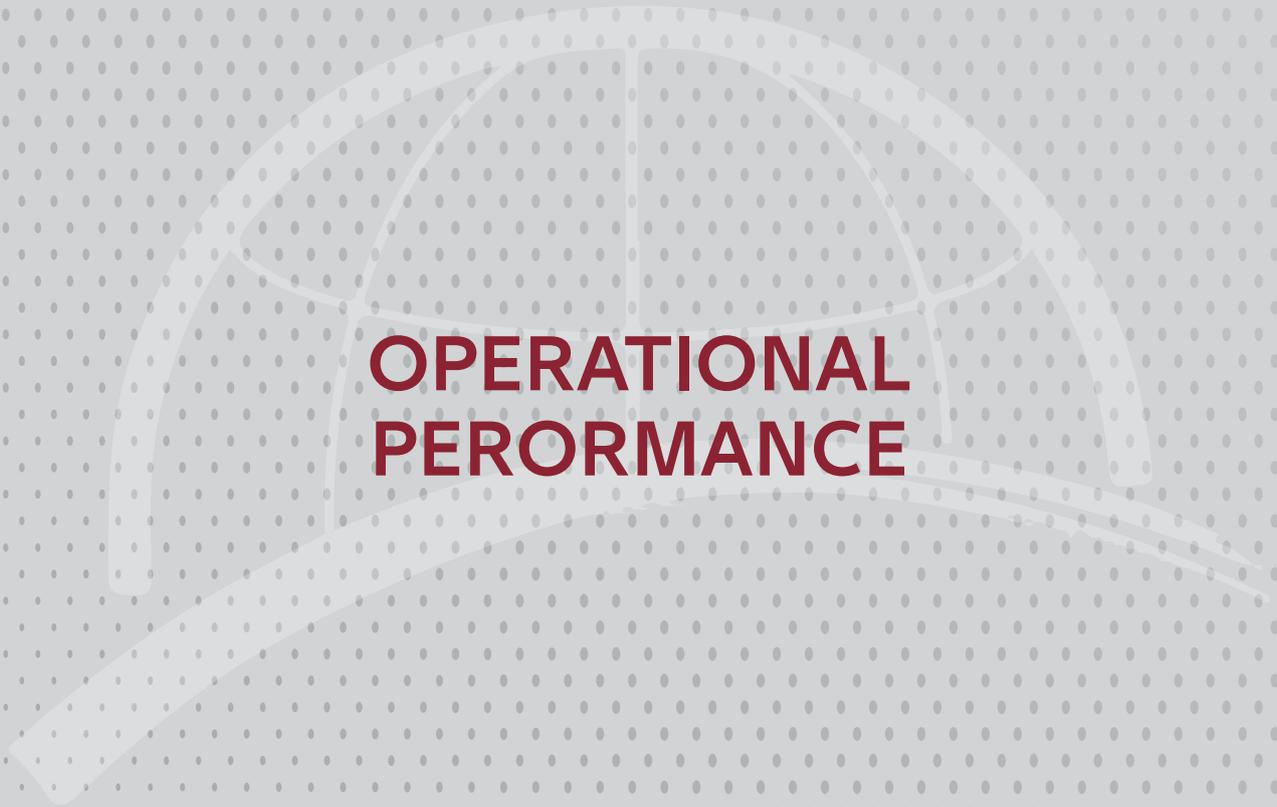
a. Contribution to Environmental Protection

No contribution to environmental protection directly.

b. Local Community Service

Besides the economic importance for Small & Medium Enterprises SMEs & small startups, the social importance for JLGC programs also motivate entrepreneurs to manage & expand their projects and specify its expenditures and outline the challenges, the thing that create new job opportunities for youth and decent life for them and their families.

All JLGC programs serve the local community and entrepreneurs by encouraging financial institutions to finance SMEs, that contribute in employment for being the main incubator for innovative ideas and a key generator of economic development in the local community. Moreover, the company programs encourage women empowerment & renewable energy usage.



**OPERATIONAL
PERFORMANCE**

Loan Guarantee Programs

Loan Guarantees Ceilings and Utilized 2020 - 2019

Ceilings	2020			2019			Change	
	Ceiling	Utilized	% Utilized	Ceiling	Utilized	Utilized%	Ceiling	Utilized
Productive Loans (Small Enterprises)	44,510,134	37,204,954	84%	50,440,134	49,027,381	97%	-5,930,000	-11,822,427
Housing Loans	24,565,505	15,504,396	63%	26,335,906	16,880,282	64%	-1,770,401	-1,375,886
Startups Program	10,000,000	11,800,588	118%	8,100,000	9,139,231	113%	1,900,000	2,661,357
Renewable Energy program	600,000	459,610	77%	0	350,298	0	600,000	109,312
Total	79,675,639	64,969,548	82%	84,876,040	75,0397,192	89%	-5,200,401	10,427,644

Guaranteed Executed Loans 2020-2019

Guaranteed Executed Loans according to Loan Type								
Productive Programs	2020		2019		Change (JD)		Change (%)	
	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value
Small Enterprises Loans								
SMEs Loans	131	3,149,644	462	10,782,263	-331	7,632,619-	-72%	-71%
Entrepreneurship loans	177	6,266,891	478	16,785,746	-301	10,518,855-	-63%	-63%
Business Loans	2	38,500	41	693,100	-39	654,600-	-95%	-94,4%
Micro Loans	2	9,765	11	19,893	-9	10,128-	-82%	-51%
Total	312	9,464,800	992	28,281,002	-680	18,816,202-	-69%	-67%
Industrial Finance Loans								
Kafalah	55	7,435,260	68	6,570,583	-13	800,417	-19%	12%
Industrial Finance	23	5,766,492	33	6,249,518	-6	371,764-	-21%	-6%
Startups	138	4,768,888	113	5,557,089	25	-788,170	22%	-14%
Leasing	0	0	2	419,297	-2	419,297-	-100%	-100%
Renewable Energy	2	229,776	4	6,261	-2	223,515	-50%	3570%
Business Vehicles	0	0	2	25,200	-2	25,200-	-100%	-100%
Total	218	18,200,416	218	18,821,687	0	-580,499	0	-3%
National Program to encounter Covid-19								
Corona – Commercial	3738	266,287,951	0	0	3738	266,287,951	100%	100%
Corona – Islamic	1379	87,416,197	0	0	1379	87,416,197	100%	100%
Total	5,117	353,704,148	0	0	5,117	353,704,148	100%	100%
Total Productive Loans	5,647	381,369,364	1210	47,102,689	4,437	334,307,447	367%	710%
Housing loans								
Total Housing Loans	19	773,024	20	705,676	-1	67,348	-5%	10%
All Programs	5,666	382,142,388	1,230	47,767,593	4,436	334,374,795	360%	700%

Outstanding Guaranteed Portfolio 2020 - 2019

Outstanding Guaranteed Portfolio according to Loan Type								
Productive Programs SMEs	2020		2019		Change (JD)		Change (%)	
	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value
Small Enterprises Loans								
SMEs Loans	1,202	20,179,209	1,639	27,302,587	437-	7,123,378-	-27%	-26%
Kafalah	730	15,196,131	835	19,318,752	105-	4,122,621-	-13%	-21%
Entrepreneurship	46	1,062,063	49	1,156,771	3-	94,708-	-6%	-8%
Business Loan	90	716,739	129	1,167,118	39-	450,379-	-30%	-39%
Micro Loans	21	36,310	44	49,269	23-	12,959-	-52%	-26%
Pharmacies Loans	5	14,502	6	32,884	1-	18,382-	-17%	-56%
Total	2,094	37,204,954	2,702	49,027,381	608-	-11,822,427	-23%	-24%
Industrial Finance Loans								
Kafalah	180	16,531,480	173	14,238,957	7	2,292,523	4%	16%
Industrial Finance	112	14,066,499	116	13,241,144	-4	825,355	-3%	6%
Startups	345	11,800,588	245	9,139,231	100	2,661,357	41%	29%
Leasing	10	1,002,172	13	1,093,911	-3	91,739-	-23%	-8%
Renewable Energy Program	6	459,610	4	350,298	2	109,312	50%	31%
Business Vehicles	2	14,334	5	23,639	-3	9,305-	-60%	-39%
Total	655	43,874,683	556	38,087,180	99	5,787,503	18%	15%
National Program to encounter Covid-19								
Corona – Commercial	3695	245,068,331	0	0	3695	245,068,331	100%	100%
Corona – Islamic	1375	82,517,684	0	0	1375	82,517,684	100%	100%
Total	5,070	327,586,015	0	0	5,070	327,586,015	100%	100%
Total Productive Loans	7,819	408,665,652	3,258	87,114,561	4,561	321,551,091	140%	369%
Housing Loans								
Housing Loans	928	15,428,734	1,031	16,791,329	-103	1,362,595-	-10%	-8%
Land Purchase Loans	7	56,772	6	52,893	1	3,879	17%	7%
Urban Development Loans	3	18,890	4	36,060	-1	17,170-	-25%	-48%
Total	938	15,504,396	1,041	16,880,282	-103	1,375,886-	-10%	-8%
All Programs	8,757	424,170,049	4,299	103,994,843	-103	320,175,206	104%	308%

Outstanding Guaranteed Portfolio according distribution of major cities during 2020

City	Productive Loans		Housing Loans		Industrial Finance Loans		National Program to encounter Covid-19		TOTAL	
	Number	Guaranteed Amounts	Number	Guaranteed Amounts	Number	Guaranteed Amounts	Number	Guaranteed Amounts	Number of loans	Guaranteed Amounts
Amman	1,378	26,459,052	732	13,100,993	398	28,916,089	3,768	268,735,065	6,276	337,211,199
Balqa	57	1,099,330	23	218,101	14	1,166,200	128	7,452,077	222	9,935,708
Irbid	230	3,287,920	46	645,238	77	3,680,029	430	18,276,440	783	25,889,627
Kerak	92	1,260,847	16	131,262	20	493,157	80	3,029,076	208	4,914,342
Ma'an	26	569,291	7	86,322	22	2,209,138	66	1,000,965	121	3,865,716
Tafileh	39	478,873	8	43,103	14	1,317,642	24	635,426	85	2,475,044
Zarqa	159	2,420,595	36	476,145	45	2,948,378	289	16,570,609	529	22,415,727
Mafraq	31	382,283	10	143,128	18	763,720	39	1,853,348	98	3,142,479
Madaba	24	396,220	14	192,869	9	288,632	47	1,586,564	94	2,464,285
Jerash	9	190,114	11	75,730	9	1,121,182	56	775,948	85	2,162,974
Ajloun	9	53,866	1	4,903	5	133,868	13	352,171	28	544,808
Aqaba	40	606,563	34	386,602	24	836,649	130	7,318,326	228	9,148,140
Total	2,094	37,204,954	938	15,504,396	655	43,874,684	5,070	327,586,015	8,757	424,170,049

Export Credit Guarantee Programs

Guaranteed Contracts

Guaranteed Contracts Signed 2020 - 2019				
Program	Number		Value (JD)	
	2020	2019	2020	2019
Export Credit Guarantee	29	18	155,440,364	201,229,469
Domestic Sales Credit Guarantee	6	3	2,068,648	1,461,300
TOTAL	35	21	157,509,012	202,690,769

Guaranteed Shipments

- By Program

Program	Number		Value (JD)		Guaranteed Value (JD)	
	2020	2019	2020	2019	2020	2019
Export Credit Guarantee	1800	1515	142,457,924	130,559,382	113,649	107,431,481
Domestic Sales Credit Guarantee	2801	1280	1,775,156	1,216,172	1,765,636	1,052,556
TOTAL	4601	2795	144,233,080	131,775,554	115,414,694	108,484,037

- By Sector

Sector	2020	2019
Fertilizers	60%	42%
Food	23%	21%
Chemicals	4%	19%
Textile & Clothing	4%	12%
Pharmaceuticals	7%	3%
Other	2%	3%
TOTAL	100%	100%

- By Geographical Area

Area	2020	2019
Middle East & Gulf	43%	40%
Africa	21%	16%
Far East	15%	23%
USA & Canada	6%	13%
Europe	14%	7%
Other	1%	1%
TOTAL	100%	100%

Outstanding Guaranteed Shipments Portfolio 2020

Outstanding Guaranteed Portfolio According to Program				
Program	Number of Shipments		Guaranteed Value (JD)	
	2020	2019	2020	2019
Export Credit Guarantee	567	501	35,350,755	35,360,400
Domestic Sales Credit Guarantee	1860	638	1,244,122	379,490
TOTAL	2427	1139	36,594,877	35,739,890

Details of Claims & Claims Paid, Recoveries, Re-Scheduled Loans in 2020

By Program				
Loan Type	Claims	Claims Paid	Recoveries	Re-scheduling
SMEs	2,398,781	2,032,952	175,691	8,979,293
Financial Leasing	0	0	0	0
Housing	208,946	242,669	110,432	3,131,510
Industrial Finance	334,876	565,264	193,073	10,650,000
Startups	308,767	305,839	0	4,599,951
Kafalah (Islamic Finance)	258,289	257,799	1,504	13,140,783
Corona (Commercial)	0	0	0	619,000
Export Credit Guarantee Program	11,529	48,082	0	0
TOTAL	3,521,191	3,152,001	480,701	41,120,537

By Major Cities				
City	Claims	Claims Paid	Recoveries	Rescheduling
Amman	2,251,116	2,070,180	272,220	31,688,556
Balqa	225,008	169,783	2,716	837,000
Irbid	231,706	163,581	48,197	3,466,452
Kerak	469,996	393,609	0	307,750
Ma'an	0	0	723	910,000
Tafileh	52,233	52,283	0	45,000
Zarqa	127,873	161,513	145,655	1,943,279
Mafraq	30,388	25,825	1,985	466,000
Madaba	132,867	94,404	1,019	147,900
Jeresh	0	0	0	628,000
Ajloun	0	0	0	0
Aqaba	0	20,819	8,184	680,600
TOTAL	3,521,191	3,152,001	480,701	41,120,537

Delayed Payments Analysis of Guaranteed Loans 2020

Category	Delay Days	Payments Overdue (JD)	Guaranteed Balance (JD)	Payments Overdue/ Balance of Outstanding Loans	Guaranteed Balance / Outstanding Guaranteed Portfolio
Productive Loans / SMEs Delays					
Early Warning	60-90 Days	284,495	1,465,643	0,0052%	0.039%
Below Average	91-180 Days	326,191	975,626	0.0059%	0.026%
Doubtful	181-359 Days	833,182	1,058,633	0.015%	0.028%
Bad	Over 360 Days	2,517,979	2,516,988	0.045%	0.068%
Balance of Outstanding Loans		54,916,077			
Outstanding Guaranteed Portfolio		36,671,766			
Guaranteed Balance of Default loans		533,184			
Industrial Finance Loans Delays					
Early Warning	60-90 Days	214,223	2,052,041	0.0034%	0.047%
Below Average	91-180 Days	102,269	395,318	0.0016%	0.009%
Doubtful	181-359 Days	112,575	170,813	0.0018%	0.004%
Bad	Over 360 Days	1,569,575	882,968	0.025%	0.02%
Balance of Outstanding Loans		62,891,293			
Outstanding Guaranteed Portfolio		43,874,684			
Housing Loans Delays					
Early Warning	60-90 Days	34,843	562,545	0.0016%	0,037%
Below Average	91-180 Days	42,083	381,937	0.0019%	0.025%
Doubtful	181-359 Days	364,641	232,081	0.0165%	0.045%
Bad	Over 360 Days	236,446	177,681	0,107%	0.263%
Balance of Outstanding Loans		22,155,728			
Outstanding Guaranteed Portfolio		15,475,621			
Guaranteed Balance of Default loans		28,775			

National Program to encounter Covid-19 Delays					
Early Warning	60-90 Days	26,709	225,601	0.0001%	0.001%
Below Average	91-180 Days	32,337	248,190	0.0001%	0.001%
Doubtful	181-359 Days	3,040	60,105	0	0
Bad	Over 360 Days	0	0	0	0
Balance of all Outstanding Loans		381,520,269			
Outstanding Guaranteed Portfolio		327,586,016			
All Guaranteed Loans delays					
Early Warning	60-90 Days	560,270	4,305,830	0.001%	0.010%
Below Average	91-180 Days	502,880	2,001,071	0.0009%	0.004%
Doubtful	181-359 Days	1,313,438	1,521,632	0.0025%	0.0035%
Bad	Over 360 Days	4,324,000	3,577,637	0.0082%	0.0084%
Balance of all Outstanding Loans		521,483,367			
Outstanding Guaranteed Portfolio		423,608,087			
Guaranteed Balance of Default loans		561,959			



**FINANCIAL
PERFORMANCE**

Operational Revenues 2020 - 2019			
Operational Revenues	JD		
	2020	2019	Change
Productive Loans / SMEs fees	840,748	963,595	-122,847
Industrial Finance and financial leasing fees	375,245	353,585	21,660
Startups Loans fees	158,889	145,860	13,029
Housing Loan Guarantee fees	183,788	196,191	-12,403
National Loan Guarantee Program –Corona fees	543,832	0	543,832
Export Credit Guarantee and domestic sales fees	263,947	215,196	48,751
Total Operational Revenues	2,366,449	1,874,427	492,022

Investment Revenues 2020 - 2019			
Investment Revenues	JD		
	2020	2019	Change
Interest rate on bank deposits	1,459,292	1,713,888	-254,596
Dividends income	105,000	107,474	-2,474
Bonds interest income	209,911	272,252	-62,341
Total Investment Revenues	1,774,203	2,093,614	-319,411

Total Realized Revenues in 2020 - 2019			
Revenues	JD		
	2020	2019	Change
Operational Revenues	2,366,449	1,874,427	492,022
Investment Revenues	1,774,203	2,093,614	-319,411
Other Revenues	346,590	132,425	214,165
Total Realized Revenues	4,487,242	4,100,466	386,776

General & Administrative Expenses 2020 - 2019			
Expenses	(JD)		
	2020	2019	Change
Salaries and wages	1,055,532	1,010,876	44,656
JLGC's contribution in saving fund	86,464	80,438	6,026
JLGC's contribution in social security	110,130	104,140	5,990
Official duties abroad	1,200	16,489	-15,289
Training courses	10,337	17,357	-7,020
Rent	0	2,850	-2,850
Water & Electricity	26,640	26,106	534
Post & Telephone	6,296	6,586	-290
Depreciation	75,023	118,070	-43,047
Marketing expenses	5,775	30,866	-25,091
Professional fees	23,528	22,346	1,182
Maintenance	38,073	35,796	2,277
Vehicle expenses	5,510	6,610	-1,100
Subscriptions & Fees	75,457	70,610	4,847
Stationary and printings	10,960	13,099	-2,139
Hosting	3,040	5,336	-2,296
Board of Directors' Transportation	71,200	71,200	0
Building Security	2,385	0	2,385
Other expenses	16,755	11,059	5,696
Total	1,624,305	1,649,834	-25,529

JLGC Prominent activities and agreements in 2020

JLGC and Jordan Kuwait Bank Sign an Agreement for Startup Projects



On January 13, 2020, JLGC and the Jordan Kuwait Bank signed the Guarantee of Startup Small Projects Loan Risks Agreement according to which the JLGC provides the necessary coverage to the bank for the risks of loans given by the Jordan Kuwait Bank for small startup projects. The agreement was signed by Dr. Muhammed Al-Ja'fari, JLGC Director General and Mr. Mohammad Yasser Al-Asmar, General Manager of the Jordan Kuwait Bank, in the presence of representatives from the bank and JLGC administrations at the headquarters of the Jordan Kuwait Bank General Administration.

The signing of the agreement aimed at expanding job opportunities and contributing to the advancement of economic development by motivating banks to provide loans for the creation of these projects, upscaling them or improving their productive efficiency. JLGC guarantees the loans provided to these officially registered startup projects in all economic sectors, which have started practicing their activities since five years ago in accordance with the provisions of this agreement and its appendices.

This agreement is part of JLGC efforts to provide various loan guarantee programs, especially for small startup entrepreneurs, in light of the importance of the strategic partnership between the Jordan Kuwait Bank and the JLGC, given the bank's wide client base in the Kingdom and its proven track record in financing high added value small and medium-sized projects, which supports growth opportunities of credit directed to pilot projects. The program guarantees 85% of the value of the loan granted to the startup project, with a ceiling of up to 250 thousand dinars.

JLGC and Jordan Industry hold an Introductory Workshop for the Industrial Sector on Export Credit Guarantee

JLGC, in cooperation with the Jordan Chamber of Industry, held an introductory workshop for the industrial sector at the Chamber's headquarters on 1/2/2020 on JLGC programs in the field of export credit guarantee and local sales, their importance for the growth of small and medium-sized companies, benefits provided to industrialists, and the mechanism for benefiting from these programs.

Dr. Mohammed Al-Ja'fari, JLGC Director General, explained the programs offered by JLGC to serve the industrial sector and said that it offers a specialized program to guarantee the exports of industrial companies and their local sales in a way that contributes to increasing exports

to traditional markets and facilitates entry to new markets, by providing a guarantee against the risks of non-payment of buyers of the prices of goods as a result of commercial and non-commercial risks. He explained that the program covers 90% of the value of export shipments, with a higher ceiling reaching \$11 million. He added that the most prominent risks covered lies in the buyer's failure to pay the prices of the goods and buyer's bankruptcy, as well as government restrictions on currency exchange and any governmental procedures or decisions that hinder the buyer's receipt of the goods.



Al-Ja'fari also stressed that JLGC guarantees sales in the local market, and provides free credit information service for the first ten potential buyers in foreign markets for each exporter in a way that reduces costs for Jordanian industrialists, thanks to the advance payment provided by the Central Bank to support the Export Credit Guarantee Program, which enabled JLGC to increase the level of insurance coverage and cover the costs of credit information.

For his part, Dr. Maher Al-Mahrooq, Director General of the Jordan Chamber of Industry, stressed that small and medium industrial enterprises suffer from the concentration of their exports in a number of traditional markets. He added that the Export Credit Guarantee Program is an important factor in increasing the production of these enterprises in particular as well as in increasing the diversity of the Jordanian goods and their geographic areas. Engineer Alaa Abu Khazna, board member of the Jordan Chamber of Industry, stressed that the chamber is responsible for raising awareness among the industrial sector of the programs offered by JLGC, which contributes to providing confidence in entering new markets and inquiring about potential exporters.

Al Samaha for Finance and Investment Signs a Guarantee of Small and Medium-Sized Companies Financing Agreement with JLGC

On 16/2/2020, JLGC signed a financing guarantee agreement for the financing granted by Al Samaha for Finance and Investment Company to companies, projects, craftsmen, professionals and women's sector projects in accordance with the principles and provisions of Islamic Sharia.



The agreement was signed by Dr. Mohammed Al-Ja'fari, JLGC Director General and by Mr. Ra'fat Saleh, General Manager of Al Samaha For Finance and Investment Company, at the headquarters of Al Samaha Company and in the presence of a group of officials from the two companies.

The agreement reflects the keenness of Al Samaha For Finance and Investment to provide financing compliant with the provisions and principles of the Islamic Sharia to support companies, projects, craftsmen and professions and the women sector and raise their production efficiency, through cooperation with JLGC to ease and facilitate the financing of these sectors. Al Samaha seeks to develop the capacity of entrepreneurs to have access to financing, and it always aspires to enable a wider segment of innovative and creative project owners to benefit from the Islamic financing opportunities. Hence, the signing of this agreement with Al Samaha for Finance and Investment Company, reflects the complementary role between JLGC and the company, which is specialized in granting funds to project owners, companies, craftsmen, professionals and women's sector projects and especially to applications that meet the guarantee conditions in all of its forms. The program targets all income-generating professional sectors operating in the Kingdom with funding that reaches up to 100,000 dinars.

Signing the National Program for Financing and Loan Guarantee in Response to Corona crisis agreement with the Central Bank of Jordan

On 2/4/2020, the Central Bank of Jordan and JLGC signed a special advance agreement to finance and guarantee loans in response to the Corona crisis, with a value of 500 million dinars and with the aim of facilitating financing for professionals, craftsmen, owners of individual institutions and small and medium-sized companies, and enabling them to obtain financing on easy terms and costs. The aim is to help these categories to cover their financing needs, their operating and capital costs and to enable them maintain their business, pay the salaries of their employees, cover their various operating expenses and continue with their activities and services during the Corona conditions and procedures to contain it, as well as to enable them to continue with their activities at normal levels and expand their businesses during the coming stages.

The National Program for Financing and Guaranteeing Loans was launched in response to the Corona crisis with an amount of 500 million Jordanian dinars for all economic sectors operating in the Kingdom. The Central Bank provides funds and loans to banks with no interest to be given as loans with a maximum yearly interest rate/return of 2%. It was agreed that JLGC guarantees all these loans and financing in return for a guarantee commission of 0.35%. It should be noted that the Central Bank has provided JLGC with a loan of 300 million dinars at an interest rate of 0.5%. JLGC has invested this loan in government bonds with a return of 5,498% annually. The difference in return will be used as an allocation to cover the expected defaults of the program in accordance with the agreement signed with the Central Bank on 2/4/2020 after being approved by the JLGC board of directors at the beginning of the crisis in April of 2020.





**CORPORATE
GOVERNANCE REPORT
2020**

Corporate Governance Report 2020

In accordance with Corporate Governance Guidelines of Amman Stock Exchange issued by the Securities Commission for year 2017 and effective as of 22/5/2017. We hereunder attach the Corporate Governance report in accordance with article no.17 of these regulations.

A- Information and details regarding the application of the rules and instructions of corporate governance.

The Jordan Loan Guarantee Corporation has been working on implementing the corporate guidelines issued by Securities Commission since its adoption in 2017, where the Board of Directors reviewed these instructions and made decision to change the structure of the Board to include independent member and re-form the permanent committees according to these instructions. The Board of Directors also reviewed the company internal polices and adopted polices to achieve full compliance with corporate governance instructions.

B- Names of the current and resigning members of the Board of Directors during the year and determining whether the member is executive or non-executive, independent or not.

- **Central Bank of Jordan (2 seats):** Non-executive and non-independent
- **Bank al Etihad:** Non-executive and non-independent
- **The Housing Bank for Trade & Finance:** Non-executive and non-independent
- **Cairo Amman Bank:** Non-executive and non-independent
- **Arab Bank P.L.C:** Non-executive and non-independent
- **Jordan Kuwait Bank:** Non-executive and non-independent
- **H.E. Dr. Ibarhim Saif:** Non-executive and independent
- **H.E. Dr. Ismail Zaghlol:** Non-executive and Independent
- **Dr. Adnan Al-Hindi:** Non-executive and independent
- **Amman Chamber of Commerce:** Non-executive and independent

C- Names of Representative of Members of the Board of Directors and determining whether the member is executive or non-executive, independent or not.

H.E. Dr. Maher "Sheikh Hassan"; Chairman of the Board: Non-executive and non-independent Deputy Governor of the Central Bank of Jordan

- Year of Birth: 1970
- PhD in Economics and Masters in Statistics / Washington State University / USA 2001.
- Masters in Economics / University of Jordan / 1996.
- Bachelor Degree in Economics / Yarmouk University / 1993.
- Deputy Governor of the Central Bank of Jordan since 8 January 2012.
- Assistant Section Head / Monetary Affairs and Capital Markets Department / International Monetary Fund / 2009-2012
- Economic Expert / Middle East and Near Asia / International Monetary Fund/ 2005-2009
- Executive Manager / Banking Supervision Department / Central Bank of Jordan / 2003-2005
- Banking Supervision Department / Central Bank of Jordan / 1994-2003
- Won the "Exceptional Efforts" award from the International Monetary Fund /2011
- Headed and joined International Monetary Fund missions for evaluations and technical assistance to member countries.
- Has many books and research papers on Monetary Policy, Inflation, Evaluation and Selection of Exchange Rates, Financial Assets Price Bubbles, and many others.

**Mr.Kamal Al Bakri; Vice Chairman : Non-executive and non-independent
Representative of Cairo Amman Bank**

- Year of Birth: 1969
- General Manager for Cairo Amman Bank since 2008
- Chairman of the Board of the Jordan Express Tourist Transportation Company (JETT)
- Vice chairman of Association of Banks in Jordan
- Board member of the Jordan Insurance Company
- Board member of Zara Investment.Co
- Board member of National Portfolio Securities
- Chairman of the Directors of Tamallak Leasing
- Board member of Jordan Payment & Clearing Co.
- Deputy chair at Network International / Jordan.

**H.E. Mrs. Nadia Al Sa'eed :Non-executive and non-independent
Representative of Bank al Etihad**

- Year of birth: 1965
- Master of Business Administration in Finance and Management Information Systems from the American University in Cairo in 1992.
- BA in Economics and Business Administration from the University of Jordan.
- General Manager, Bank al Etihad.
- Strategic Development Consultant, Etihad Bank.
- CEO of Dead Sea Development Corporation.
- Minister of Communications and Information Technology.
- Secretary General of the Ministry of Communications and Information Technology.
- Economic Adviser to the Minister of Communications and Information Technology.
- 10 years of experience in Bank al Etihad in several positions including Manager of Corporate Banking.
- Jordan Technology Group.
- Member in Najjar Group - Cairo.
- Vice Chairman of the Board of Directors of al Etihad Financial Brokerage Company.
- Vice Chairman of the Board of Directors of al Etihad Leasing Company.
- Member of the Board of Directors of Jordan Payment Systems Company.
- Member of the Board of Directors of Jordan Endeavor.
- Member of the Board of Directors of Jordan Strategy Forum.

**Dr. Khaldoun Al Wishah: Non-executive and non-independent
Representative of Central Bank of Jordan**

- Year of birth: 1970
- PhD in Finance / HULL University / UK 2009.
- Scientific Research Master in Business Administration / HULL University / UK 2006
- Master of Business Administration / Finance / University of Jordan 2000.
- Bachelor of Economics / University of Mustansiriya / Iraq 1992.
- Executive Director / Open Market Operations and Public Debt Dept. 2013 until now.
- Assistant Executive Director / Investments and Foreign Operations Dept. 2012.
- Head of External Loans and Grants Division / Investments and Foreign Operations Dept. 2010.

- Head of the Appropriations and Payment Agreements Division/ Investments and Foreign Operations Dept.
- Head of Foreign Remittances Division / Investment and Foreign Operations Dept.
- Senior Financial Analyst/ External Loans and Grants Dept./ Investments and Foreign Operations Dept. 2002.
- Senior Economist / Open Market Operations and Public Debt Dept. 2009.
- Primary Issues Officer / Open Market Operations and Public Debt Dept. 2005.
- Dealer at dealing room / Investment and Foreign Operations Dept.2003.
- Creditor and Payment Technician / Investments and Foreign Operations Dept.
- Part-time lecturer at several Jordanian universities since 2010 until now.
- Expert and lecturer on international and regional trade finance issues.
- Member of many committees inside and outside the Central Bank.

**Mr. Walid Al Samhouri : Non-executive and non-independent
Representative of Arab ban**

- Year of birth: 1962
- Executive Vice President / Director of the Jordan region / Arab Bank
- Chairman - Arab Sudanese Bank- Sudan.
- Board Member - Arab Tunisian Bank, Oman Arab Bank.

**Mr. Tawfeek Al Mukahal : Non-executive and non-independent
Representative of Jordan Kuwait Bank**

- Year of Birth: 1951
- Deputy General Manager of Jordan Kuwait Bank since 1991 until now.
- Member of the board of director of the Jordan Mortgage Refinance Company.
- Member of the Board of Directors of Al-Sharq Al-Arabi Insurance Company.

**Ms. Rana Sawalha: Non-executive and non-independent
Representative of the Housing Bank for Trade & Finance**

- Year of Birth: 1971
- Executive Director - Financial Group at the Housing Bank for Trade and Finance since 10/2019.
- Vice President of Financial Group - Retail Business / External Branches at First Abu Dhabi Bank 1/2019 - 9/2019
- Chief Financial Officer (CFO) at National Bank of Abu Dhabi / Jordan from 10/2015 - 11/2018.
- CFO Chief Financial Officer (CFO) at Arab Banking Corporation from 10/2012 - 10/2015.
- Assistant Finance Manager at Arab Banking Corporation from 11/2001 - 09/2012.
- Director of Internal Auditing at the Arab Jordan Insurance Company from 01/2001 -11/2001.
- Internal auditor at Ernst & Young EY from 01/1994 - 05/2000

H.E.Dr. Ibrahim Saif: Non-executive and Independent

- Year of Birth: 1965
- Bachelor of Economics and Accounting, Yarmouk University, 1986
- Master of Economics University of London 1988
- Ph.D. in Economics, University of London, 2001
- Minister of Planning and International Cooperation 2013-2015.
- Minister of Energy and Mineral Resources 2015-2017.
- Board Member at Safwa Bank Board of Directors.
- Researcher at the Carnegie Middle East Center 2009 - 2013
- Secretary General of the Economic and Social Council in Jordan 2009 -2012.
- Professor of Economics and Director of the Center for Strategic Studies at the University of Jordan 2002-2008

Dr. Adnan Al Hindi: Non-executive and Independent

- Year of Birth: 1938
- Bachelor of Business Administration - Cairo University 1964 B.A Business Administration
- Master of Economics - University of Southern California 1968 M.A. Economics USA.A California
- Ph.D. Economics - Syracuse University 1976
- Executive Director - Central Bank of Jordan 1964-1984
- Secretary General - Union of Arab Banks Beirut Lebanon 1984-2000
- Other board memberships
- The Housing Foundation - Jordan 1978-1983
- Lecturer - University of Jordan - Part-time 1979-1981
- Lecturer, Amman National University, 2002-2004
- Director General, Institute of Banking and Financial Studies, Central Bank of Jordan, 1978-1983
- Member of the Board of Directors - Arab Institute for Banking and Financial Studies Beirut - Lebanon 1989-2000
- Member of the Board of Directors of the Association of Banks in Jordan 1979-1984.

H.E .Dr. Ismail Zaghloul: Non-executive and Independent

- Year of Birth: 1947
- PhD in Finance from Amman Arab University in 2003
- Director General of the Department of Public Budget 2007-2013
- Director of the Directorate of Economic Studies and Policies at the Ministry of Finance
- Vice Chairman of the Board of Directors of Al Samra Power Generation Company
- "General Inspector" / Department of Studies and Research at the Central Bank
- Director General of the Jordanian newspaper Al-Dustour
- Vice Chairman of the Board of Directors of Jordan Bank / Dubai Islamic Bank
- Executive Director / Islamic Development Bank / Jeddah, Saudi Arabia
- Economist at the Central Bank of Qatar for the years 1985-1992
- Member of several boards of directors of Jordanian and Arab institutions

**Mr. Khattab Al Banna: Non-executive and Independent
Representing Amman Chamber of Commerce**

- Year of Birth: 1968
- Bachelor in Accounting.
- Board Member / Treasurer of Amman Chamber of Commerce Board of Directors
- Board Member / Jordan Chamber of Commerce Board of Directors
- Chairman of the Board / Salam Company for Media
- Chairman of the Board / Khattab Mohammed AlBanna & Partners Company
- Chairman of the Board / Khattab Mohammed Khaled Ibrahim AlBanna & Partner Company

**Mr. Issa Ismail Al Tarayra
Secretary of JLGK Board of Directors**

- Year of Birth: 1980
- Finance Department Manager / Jordan Loan Guarantee Corporation

D- The Senior Executive Management at the company

- **H.E. Dr. Mohammed Lutfi Al Ja'fari:** Director General
- **Mr. Abdel Salam Faisal Al Nusair:** Deputy Director General
- **Mr. Issa Ismail Al Tarayra:** Finance Department Manager
- **Mr. Firas Mustafa Fayyad:** Loan Guarantee Department Manager
- **Mr. Rami Awwad Samardali:** Risk Management & Compliance Control Department Manager
- **Mrs. Amal Mahmoud Jaradat:** Export Credit Guarantee & Domestic Sales Department Manager
- **Mr. Tarek Talal Al Nabulsi:** Follow ups, Indemnifications & Recoveries Department Manager
- **Mr. Jehad Younes Al Qdeimat:** HR & Support Services Department Manager
- **Mrs. Hanaa "Mohammed Mamdouh" Alshihabi:** ISSF Follow-up Unit Manager

E- All Memberships of the Board of Directors, which are occupied by a member of the Board of Directors in Public Shareholding Companies.

- **Mentioned in item (C) Above.**

F- Name of the Corporate Governance Officer in the company

Mr. Saif Shibli Al Farah – Internal Auditor

G- Names of Committees emanating from the Board of Directors

- Audit Committee
- Risk Management Committee
- Nomination and Remuneration Committee
- Corporate Governance Committee
- Main Procurement Committee

H- Name of Chairman and Members of Audit Committee and a Brief of their qualifications and experiences related to financial and accounting matters

- Chaired by H.E. Dr. Ismail Zaghloul and the membership of Dr. Khaldoun Al Wishah and Mr. Khattab Al Banna.
- The full function of the Audit Committee has been executed in accordance with provision of the law and the Corporate Governance regulations.
- Mentioned in item (C) Above.

I- Name of the chairman and member of Nomination and Remuneration Committee, Corporate Governance Committee and Risk Management Committee

- **Nomination and Remuneration Committee:** Chaired by H.E Dr. Ismail Zaghloul and the membership of H.E Dr. Ibarhim Saif and Mr. Walid Al Samhouri.
- **Corporate Governance Committee:** Chaired by H.E Dr. Ibarhim Saif and the membership of Mr. Kamal Al Bakri and Dr. Adnan Al Hindi.
- **Risk Management Committee:** Chaired by H.E Dr. Ibarhim Saif and the membership of H.E Mrs. Nadia Al Sa'eed, Mr. Tawfeeq Mukahal, Ms. Rana Sawalha and H.E Dr. Mohammed Al Ja'fari.

J- The number of meetings of each the committees during the year with member present

- **Audit Committee:** Four meetings were attended by all members of the committee.
- **Risk Management Committee:** Two meetings were attended by all members and Mr. Tawfeeq Mukahal was absent in both meetings.
- **Nomination and Remuneration Committee:** Two Meetings Attended by all members.
- **Corporate Governance Committee:** Two meetings attended by all members.

K- Number of Meetings of the Audit Committee with the External Auditor during the year

- The Audit Committee met with the External Auditor without the attendance of executive management only one time on 9/2/2020.

L- Number of meetings of the Board of Directors during the year and the member attendance.

- The Board members met 7 times during 2020

Name	Meeting 1	Meeting 2	Meeting 3	Meeting 4	Meeting 5	Meeting 6	Meeting 7
Dr. Maher Al Shiekh Hasan	Present	Present	Present	Present	Present	Present	Present
Mr. Kamal Al Bakri	Present	Absent / justified	Absent / justified	Present	Present	Absent / justified	Present
Mrs. Nadia Al Sa'eed	Present	Present	Present	Present	Present	Present	Absent / justified
Dr. Ibrahim Saif	Present	Present	Absent / justified	Present	Present	Present	Present
Dr. Khaldoun Al Wishah	Present	Present	Present	Present	Present	Present	Present
Mr. Waleed Al Samhouri	Present	Present	Present	Present	Present	Absent / justified	Present
Ms. Rana Sawalha	Present	Present	Present	Present	Present	Present	Present
Mr. Tawfiq Mukahal	Absent / justified	Present	Present	Present	Present	Present	Present
Dr. Ismail Zaghlol	Present	Present	Present	Present	Present	Present	Present
Dr. Adnan Al Hindi	Present	Present	Present	Present	Present	Present	Present
Mr. Khattab Al Banna	Present	Present	Present	Present	Present	Present	Present

Dr. Maher "Sheikh Hasan"
Chairman of the Board





**JORDAN LOAN GUARANTEE CORP.
PUBLIC SHAREHOLDING COMPANY
FINANCIAL STATEMENTS
31 DECEMBER 2020**

Contents

59-61	- Independent auditor's report
62	- Statement of financial position
63	- Statement of profit or loss
64	- Statement of comprehensive income
65	- Statement of changes in equity
66	- Statement of cash flows
67-89	- Notes to the financial statements

INDEPENDENT AUDITOR'S REPORT

To The Shareholders of
Jordan Loan Guarantee Corp.
Public Shareholding Company
Amman - Jordan

Opinion

We have audited the financial statements of Jordan Loan Guarantee Corp., which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Hashemite Kingdom of Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

(1) Provision for Expected Credit Loss

Included in the accompanying financial statements at the end of the year 2020 financial assets totaling JOD (35,670,247), as the provision for expected credit loss of these financial assets are dependent on the management's estimates of different variables, the adequacy of the provision is considered a key audit matter. The audit procedures performed by us to address this key audit matter included inquiring from management about the methodology used in calculating the provision and assessing the reasonableness of estimates and assumptions used by the management in calculating the provision amount. We have also inquired about the management's collection procedures and the amounts collected post year end.

(2) Provisions Against Loans Guarantees

Included in the accompanying financial statements at the end of the year 2020 provisions against loan guarantee totaling JOD (46,961,641) and the calculation of these provisions based on many hypotheses and estimates, the adequacy of these provisions is considered to be a key audit matter for us. The audit procedures performed by us to address this key audit matter included inquiring from management about the methodology used in calculating these provisions and assessing the reasonableness of estimates and assumptions used by the management in calculating the provisions amount.



INDEPENDENT AUDITOR'S REPORT

To The Shareholders of
Jordan Loan Guarantee Corp.
Public Shareholding Company
Amman - Jordan

Opinion

We have audited the financial statements of **Jordan Loan Guarantee Corp.**, which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Hashemite Kingdom of Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

(1) Provision for Expected Credit Loss

Included in the accompanying financial statements at the end of the year 2020 financial assets totaling JOD (35,670,247), as the provision for expected credit loss of these financial assets are dependent on the management's estimates of different variables, the adequacy of the provision is considered a key audit matter. The audit procedures performed by us to address this key audit matter included inquiring from management about the methodology used in calculating the provision and assessing the reasonableness of estimates and assumptions used by the management in calculating the provision amount. We have also inquired about the management's collection procedures and the amounts collected post year end.

(2) Provisions Against Loans Guarantees

Included in the accompanying financial statements at the end of the year 2020 provisions against loan guarantee totaling JOD (46,961,641) and the calculation of these provisions based on many hypotheses and estimates, the adequacy of these provisions is considered to be a key audit matter for us. The audit procedures performed by us to address this key audit matter included inquiring from management about the methodology used in calculating these provisions and assessing the reasonableness of estimates and assumptions used by the management in calculating the provisions amount.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory 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, and we recommend the General Assembly to approve it.

10 February 2021
Amman - Jordan




Arab Professionals
Ibrahim Hammoudeh
License No. (606)

Jordan Loan Guarantee Corp.
Public Shareholding Company
Statement of Financial Position
As at 31 December 2020
(In Jordanian Dinar)

Assets	Notes	2020	2019
Cash and cash equivalents	4	2,343,950	1,135,189
Deposits at banks	5	29,482,252	29,793,376
Restricted bank deposits	12-18	69,856,909	47,375,395
Restricted financial assets measured at amortized cost	12-18	669,135,861	365,786,042
Financial assets measured at fair value through other comprehensive income	6	1,158,613	1,161,120
Financial assets measured at amortized cost	7	3,482,735	3,482,692
Receivables and other current assets	8	1,534,840	1,411,878
Deferred tax assets	9	490,597	494,910
Property and equipment	10	3,032,532	3,093,884
Total Assets		780,518,289	453,734,486
Liabilities and Equity			
Liabilities			
Provisions against loans guarantee	11	46,961,641	24,190,560
Central Bank of Jordan loan - Industrial loans guarantees program	12	5,160,695	5,160,695
Central Bank of Jordan loan - Export credit guarantees program	13	99,999,277	99,999,277
Central Bank of Jordan loan - Support bank guarantees for contractors outside Jordan program	14	100,000,000	100,000,000
Central Bank of Jordan loan - Housing loans guarantees program – Facilitated housing	15	100,000,000	100,000,000
Central Bank of Jordan loan - Facing COVID-19 pandemic program	16	300,000,000	-
Ministry of Planning deposit	17	1,248,500	1,248,500
Startup micro projects loans	18	81,674,658	82,631,808
Payables and other current liabilities	19	8,223,946	3,685,970
Income tax provision	9	26,425	237,172
Total Liabilities		743,295,142	417,153,982
Equity			
	21		
Paid in capital		29,080,310	29,080,310
Statutory reserve		1,937,505	1,852,454
Voluntary reserve		2,204,824	2,204,824
Fair value adjustments		471,464	473,840
Retained earnings		3,529,044	2,969,076
Total Equity		37,223,147	36,580,504
Total Liabilities and Equity		780,518,289	453,734,486

“The attached notes from (1) to (31) form an integral part of these financial statements”

Jordan Loan Guarantee Corp.
Public Shareholding Company
Statement of Profit or Loss
For the Year Ended 31 December 2020
(In Jordanian Dinar)

Revenues	Notes	2020	2019
Interest income		1,459,292	1,713,888
Bonds interest income		209,911	272,252
Commissions on guaranteed loans		1,024,536	1,159,786
Commissions on guaranteed exports and domestic buyers		263,947	215,196
Commissions on guaranteed industrial loans and financial leasing		534,134	499,445
Commissions on guaranteed loans of the national program for facing COVID-19 pandemic		543,832	-
Dividends income		105,000	107,474
Commissions against managing Central Bank of Jordan loans provisions	11	316,657	99,344
Other revenues		29,933	33,081
Total Revenues		4,487,242	4,100,466
Deduct :			
Administrative expenses	22	1,624,305	1,649,834
Provisions against loans guarantees	11	1,941,953	1,082,282
Provision for expected credit loss of deposits and bonds		7,631	15,393
Provision against end of service indemnity		62,845	24,750
Board of directors' remunerations		55,000	55,000
Total Expenses		3,691,734	2,827,259
Profit for the year before tax		795,508	1,273,207
Tax expense for the year	9	(150,489)	(230,104)
Profit for the year		645,019	1,043,103
Basic and diluted earnings per share	23	0.022	0.036

“The attached notes from (1) to (31) form an integral part of these financial statements”

**Jordan Loan Guarantee Corp.
Public Shareholding Company
Statement of Comprehensive Income
For the Year Ended 31 December 2020
(In Jordanian Dinar)**

	2020	2019
Profit for the year	645,019	1,043,103
Other comprehensive income items		
Changes in fair value of financial assets through other comprehensive income	(2,376)	(22,603)
Total comprehensive income for the year	642,643	1,020,500

“The attached notes from (1) to (31) form an integral part of these financial statements”

**Jordan Loan Guarantee Corp.
Public Shareholding Company
Statement of Changes in Equity
For the Year Ended 31 December 2020
(In Jordanian Dinar)**

	Paid in capital	Reserves		Fair value adjustments	Retained* earnings	Total
		Statutory	Voluntary			
Balance at 1 January 2020	29,080,310	1,852,454	2,204,824	473,840	2,969,076	36,580,504
Total comprehensive income for the year	-	-	-	(2,376)	645,019	642,643
Statutory reserve	-	85,051	-	-	(85,051)	-
Balance at 31 December 2020	29,080,310	1,937,505	2,204,824	471,464	3,529,044	37,223,147
Balance at 1 January 2019	29,080,310	1,719,633	2,204,824	496,443	2,058,794	35,560,004
Total comprehensive income for the year	-	-	-	(22,603)	1,043,103	1,020,500
Statutory reserve	-	132,821	-	-	(132,821)	-
Balance at 31 December 2019	29,080,310	1,852,454	2,204,824	473,840	2,969,076	36,580,504

* The negative investment revaluation reserve is excluded from the available profit for distribution according to the instructions of Jordan Securities Commission.

"The attached notes from (1) to (31) form an integral part of these financial statements"

Jordan Loan Guarantee Corp.
Public Shareholding Company
Statement of Cash Flows
For the Year Ended 31 December 2020
(In Jordanian Dinar)

	2020	2019
Operating Activities		
Profit for the year before income tax	795,508	1,273,207
Depreciation	75,023	118,070
Amortization of deferred grants revenue	(11,279)	(33,081)
Provision against end of service indemnity	62,845	24,750
Provisions against loans guarantee	1,941,953	1,082,282
Board of directors' remunerations	55,000	55,000
Provision for expected credit loss of deposits and bonds	7,631	15,393
Changes in working capital		
Payables and other current liabilities	4,431,410	601,955
Receivables and other current assets	(122,962)	(546,813)
Net payments for loans guarantees	(2,033,686)	(1,007,327)
Income tax paid	(356,791)	(192,955)
Net Cash Flows From Operating Activities	4,844,652	1,390,481
Investing Activities		
Deposits at banks	303,449	(2,985,825)
Financial assets measured at amortized cost	-	799,856
Property and equipment	(13,671)	(16,403)
Net Cash Flows From (Used in) Investing Activities	289,778	(2,202,372)
Financing Activities		
Central Bank of Jordan loan - Support bank guarantees for contractors outside Jordan program	-	100,000,000
Central Bank of Jordan loan - Housing loans guarantees program – Facilitated housing	-	100,000,000
Central Bank of Jordan loan – Facing COVID-19 pandemic program	300,000,000	-
Restricted bank deposits and financial assets measured at amortized cost	(302,968,519)	(199,661,234)
Startup micro projects loans	(957,150)	(957,150)
Net Cash Flows Used in Financing Activities	(3,925,669)	(618,384)
Net changes in cash and cash equivalents	1,208,761	(1,430,275)
Cash and cash equivalents, beginning of year	1,135,189	2,565,464
Cash and cash equivalents, end of year	2,343,950	1,135,189

"The attached notes from (1) to (31) form an integral part of these financial statements"

Jordan Loan Guarantee Corp.
Public Shareholding Company
Notes to the Financial Statements
31 December 2020
(In Jordanian Dinar)

1. General

Jordan Loan Guarantee Corp. is a public shareholding company 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 Company stocks are listed in Amman Stock Exchange – Jordan.

These financial statements were authorized for issue by the Company's Board of Directors in their meeting held on 10 February 2021.

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 financial assets at fair value.

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

The accounting policies are consistent with those used in the previous year, except for the adoption of new and amended standards effective as at the beginning of the year.

Adoption of new and revised IFRS standards

The following standards have been published that are mandatory for accounting periods after 31 December 2020. Management anticipates that the adoption of new and revised Standards will have no material impact on the financial statements of the Company.

Standard No.	Title of Standards	Effective Date
IFRS 17	Insurance Contracts	1 January 2023

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 statement of profit or loss.
- Management reviews periodically provisions against loan guarantee to assess their sufficiency according to the Company's policy and the risk management assessment.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).

Cash and Cash Equivalents

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

Financial Assets at Fair Value Through of Profit or Loss

It is the financial assets held by the company for the purpose of trading in the near future and achieving gains from the fluctuations in market prices in the short term or trading margins.

Financial assets at fair value through profit or loss are initially stated at fair value at acquisition date (purchase costs are recorded at the statement of profit or loss upon acquisition) and subsequently measured at fair value. Moreover, changes in fair value are recorded in the statement of profit or loss including the change in fair value resulting from translation of non-monetary assets stated at foreign currency. Gains or losses resulting from the sale of these financial assets are taken to the statement of profit or loss.

Dividends and interests from these financial assets are recorded in the statement of profit or loss.

Financial Assets at Fair Value through Other Comprehensive Income

These financial assets represent investments in equity instruments held for the purpose of generating gain on a long term and not for trading purpose.

Financial assets at fair value through other comprehensive income initially stated at fair value plus transaction costs at purchase date.

Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognized in the statement of other comprehensive income and within owner's equity, including the changes in fair value resulting from translation of non-monetary assets stated at foreign currency. In case those assets – or part of them - were sold, the resultant gain or loss is recorded in the statement of comprehensive income within owners' equity and the reserve for the sold assets is directly transferred to the retained earnings and not through the statement of profit or loss.

These assets are not subject to impairment testing.

Dividends are recorded in the statement of profit or loss on a separate line item.

Financial Assets at Amortized Cost

Financial assets at amortized cost are the financial assets which the company management intends according to its business model to hold for the purpose of collecting the contractual cash flows which comprise the contractual cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets are recorded at cost upon purchase plus acquisition expenses. Moreover, the issue premium or discount is amortized using the effective interest rate method, and recorded to interest account. Provisions associated with the decline in value of these investments leading to the inability to recover the investment or parts thereof are deducted. Any impairment is registered in the statement of profit or loss and should be presented subsequently at amortized cost less any impairment losses.

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 the statement of financial position 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 Company has changed the loan loss impairment method by replacing IAS 39's incurred loss approach with an expected credit loss approach as described by the provisions of IFRS 9.

The expected credit loss allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The 12 months' expected credit loss is the portion of lifetime expected credit loss that represent the expected credit loss that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Based on the above process, the Company groups its assets that are subject to impairment test into Stage 1, Stage 2, and Stage 3 as described below:

Stage 1: Includes financial instruments that have not deteriorated significantly in credit quality since initial recognition or that has low credit risk at the reporting date. At this stage, a 12-month expected credit losses are recognized and interest revenue is calculated on the gross carrying amount of the asset.

Stage 2: Includes financial instruments that have deteriorated significantly in credit quality since initial recognition but that do not have objective evidence of a credit loss event. At this stage, a lifetime expected credit losses are recognized Interest revenue is still calculated on the asset's gross carrying amount.

Stage 3: Includes financial assets that have objective evidence of impairment at the reporting date. At this stage, a lifetime expected credit losses are recognized Interest revenue is calculated on the net carrying amount (i.e. reduced for expected credit losses).

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 statements of profit or loss.

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 property, plant and equipment 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:

Buildings	2%
Furniture & fixtures	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.

Grants

Grants are recognized in the profit or loss statement on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Grants whose primary condition is that the Company should purchase, construct or otherwise acquire depreciable assets are recognized as deferred revenue in the statement of financial position and transferred to the statement of profit or loss on a systematic and rational basis over the useful lives of the related assets.

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 statement of financial position when there is a legally enforceable right to offset the recognized amounts and the company intends to either settle them on a net basis, or to realize the asset and settle the liability simultaneously.

Revenues

Revenues from sale of goods are recognized when control transferred to the buyer, while revenues from rendering services are recognized over time and according to percentage of completion. In all cases, it is necessary that the amount of revenue can be measured reliably.

Commissions on loans guarantees are recognized annually on the ceilings or guaranteed portion of loans - granted by banks and financial institutions according to guarantee type.

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

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

Other revenues are recognized on the accrual basis accounting.

Dividends are recognized when the Company's 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 statement of financial position 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 of the statement of financial position, 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 Dinar 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 profit or loss.

3. Balances of guaranteed loans and ceilings

	Loans Ceilings		Guaranteed loans	
	2020	2019	2020	2019
Housing loans guarantees	24,565,506	26,335,906	15,504,396	16,880,282
Productive loans guarantees	44,510,134	50,440,134	37,204,951	49,027,382
Export credit guarantees & domestic buyers	8,151,854	6,177,678	8,151,854	6,177,678
Industrial loans guarantees	31,071,923	27,854,038	31,071,923	27,854,038
Finance lease	1,002,172	1,093,911	1,002,172	1,093,911
Startup micro projects	10,600,000	8,100,000	11,800,588	9,139,231
National program for facing COVID-19 pandemic	327,586,016	-	327,586,016	-

4. Cash and cash equivalents

	2020	2019
Cash on hand	1,000	1,000
Cash at banks	-	11,246
Deposits mature within three months	2,344,682	1,123,635
Provision for expected credit loss	(1,732)	(692)
	2,343,950	1,135,189

Annual interest rate for bank deposits ranging between (2.5%) and (4.5%).

5. Deposits at banks

Bank deposits mature within (4) to (10) months, with an annual interest rate ranging between (2%) and (4.5%), provision for expected credit loss for these deposits as at 31 December 2020 amounted to JOD (64,240), against JOD (57,618) as at 31 December 2019.

6. Financial assets measured at fair value through other comprehensive income

	2020	2019
Investments in listed shares (in Jordan)	909,423	911,930
Investments in unlisted shares (in Jordan)	249,190	249,190
	1,158,613	1,161,120

7. Financial assets measured at amortized cost

	2020	2019
Investment in bonds – Jordan	3,490,934	3,490,923
Provision for expected credit loss	(8,199)	(8,231)
	3,482,735	3,482,692

Investment in bonds mature up to the year 2026 with an annual interest rate ranging between (5.5%) and (6.099%).

8. Receivables and other current assets

	2020	2019
Accrued commissions income	867,781	471,998
Accrued commissions for managing Central Bank of Jordan loans provisions	316,657	-
Accrued interest income	288,139	901,703
Accounts receivable	33,888	12,205
Prepaid expenses	19,647	17,018
Refundable deposits	7,815	7,815
Others	913	1,139
	1,534,840	1,411,878

9. Income tax

The movements on the income tax provision were as follows:

	2020	2019
Balance at beginning of the year	237,172	152,186
Current year income tax charge	146,044	273,041
Income tax paid	(356,791)	(188,055)
	26,425	237,172

Income tax expense for the year which appears in the statement of profit or loss consists of the following:

	2020	2019
Income tax expense for the year	139,089	260,039
National Contribution tax	6,955	13,002
Prior years income tax	-	4,900
Deferred tax	4,445	(47,837)
	150,489	230,104

Statutory and National Contribution tax rate	21%	21%
--	------------	------------

Deferred tax assets presented in the statement of financial position relates to:

	2020	2019
Provisions against loans guarantee	443,745	462,991
End of service provision	57,398	44,200
Provision for expected credit loss of deposits and bonds	15,576	13,973
Changes in fair value reserve	(26,122)	(26,254)
	490,597	494,910

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2019.
- The Income tax provision and National Contribution tax for the year 2020 were calculated in accordance with the Income Tax Law.

10. Property and equipment

	Lands	Buildings	Furniture & Fixtures	Vehicles	Computers & Software	Payments to purchase software	Total
Cost							
Balance at 1/1/2020	1,688,453	1,557,059	211,934	109,901	528,450	-	4,095,797
Additions	-	-	3,850	-	9,864	-	13,714
Disposals	-	-	(2,679)	-	(11,330)	-	(14,009)
Balance at 31/12/2020	1,688,453	1,557,059	213,105	109,901	526,984	-	4,095,502
Accumulated depreciation							
Balance at 1/1/2020	-	305,680	157,782	64,245	474,206	-	1,001,913
Depreciation for the year	-	31,714	10,302	11,385	21,622	-	75,023
Disposals	-	-	(2,669)	-	(11,297)	-	(13,966)
Balance at 31/12/2020	-	337,394	165,415	75,630	484,531	-	1,062,970
Net book value at 31/12/2020	1,688,453	1,219,665	47,690	34,271	42,453	-	3,032,532
Cost							
Balance at 1/1/2019	1,688,453	1,555,551	209,293	109,901	508,460	7,736	4,079,394
Additions	-	1,508	2,641	-	12,254	-	16,403
Transfers	-	-	-	-	7,736	(7,736)	-
Balance at 31/12/2019	1,688,453	1,557,059	211,934	109,901	528,450	-	4,095,797
Accumulated depreciation							
Balance at 1/1/2019	-	274,040	146,475	52,859	410,469	-	883,843
Depreciation for the year	-	31,640	11,307	11,386	63,737	-	118,070
Balance at 31/12/2019	-	305,680	157,782	64,245	474,206	-	1,001,913
Net book value at 31/12/2019	1,688,453	1,251,379	54,152	45,656	54,244	-	3,093,884

11. Provisions against loans guarantees

Provisions against loans guarantees are calculated according to IFRS (9) requirements, and shouldn't be less than total defaulted loans

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

	2020	2019
Provision for productive loans guarantees	894,959	1,872,738
Provision for housing loans guarantees	209,533	244,252
Provision for export guarantees	8,581	87,726
Special provision against loans guarantees	1,000,000	-
* Provision for industrial financing	8,683,722	6,536,553
* Provision for pioneer projects financing	217,412	157,873
* Provision for startup companies financing	9,858,080	6,989,271
* Provision for export credit guarantee financing	9,128,196	6,828,455
Provision for supporting bank guarantees for contractors outside Jordan *program	4,859,888	1,473,692
*Provision for housing loans guarantees financing – Facilitated housing	3,622,259	-
*Provision for facing COVID-19 pandemic loans guarantees financing	8,479,011	-
	46,961,641	24,190,560

* Provisions against loans guarantees for these programs are constructed from returns on investments financed by supporter parties.

The movements on these provisions were as follows:

Provision for productive loans guarantees

	2020	2019
Balance at beginning of the year	1,872,738	1,692,269
Charge for the year	840,747	963,594
Recoveries	175,692	193,471
Compensations paid	(1,994,218)	(1,024,361)
Transfer from reserved provision against loans guarantees	-	47,765
	894,959	1,872,738

Provision for housing loans guarantees

	2020	2019
Balance at beginning of the year	244,252	389,727
Charge (unneeded provision) for the year	97,519	(78,816)
Recoveries	110,432	213,599
Compensations paid	(242,670)	(280,258)
	209,533	244,252

Provision for export guarantees

	2020	2019
Balance at beginning of the year	87,726	-
Charge for the year	3,687	197,504
Compensations paid	(82,832)	(109,778)
	8,581	87,726

Special provision against loans guarantees

	2020	2019
Change for the year	1,000,000	-

Provision for industrial financing

	2020	2019
Balance at beginning of the year	6,536,553	4,315,300
Charges for the year against Central Bank of Jordan loan's interest	552,904	532,932
Transfer from export credit guarantees provision	2,000,000	2,000,000
Recoveries	194,578	164,945
Compensations paid	(561,192)	(417,810)
Income tax	(39,121)	(58,814)
	8,683,722	6,536,553

Provision for pioneer projects financing

	2020	2019
Balance at beginning of the year	157,873	97,644
Charges for the year against ministry of planning deposits	75,366	76,239
Income tax	(15,827)	(16,010)
	217,412	157,873

Provision for startup companies financing

	2020	2019
Balance at beginning of the year	6,989,271	3,811,752
Charges for the year against startup micro projects loans	5,053,299	5,220,619
Interest on loans for startup companies guarantees financing	(1,116,065)	(1,132,228)
Compensations paid	(305,833)	(66,216)
Income tax	(762,592)	(844,656)
	9,858,080	6,989,271

Provision for export credit guarantees financing

	2020	2019
Balance at beginning of the year	6,828,455	4,535,601
Charges for the year against Central Bank of Jordan loan	7,551,921	7,514,478
Interest on Central Bank of Jordan loan	(2,005,460)	(1,999,984)
Transfer to industrial financing provision	(2,000,000)	(2,000,000)
Management fees	(103,749)	(80,501)
Income tax	(1,142,971)	(1,141,139)
	9,128,196	6,828,455

Provision for supporting bank guarantees for contractors outside Jordan

	2020	2019
Balance at beginning of the year	1,473,692	-
Charges for the year against Central Bank of Jordan loan	6,349,987	3,667,839
Interest on Central Bank of Jordan loan	(2,005,481)	(1,183,563)
Stamps expenses	-	(600,000)
Management fees	(58,182)	(18,843)
Income tax	(900,128)	(391,741)
	4,859,888	1,473,692

Provision for housing loans guarantees financing – Facilitated housing

	2020	2019
Charges for the year against Central Bank of Jordan loan	5,746,523	-
Interest on Central Bank of Jordan loan	(515,071)	-
Stamps expenses	(600,000)	-
Management fees	(46,314)	-
Income tax	(962,879)	-
	3,622,259	-

Provision for facing COVID-19 pandemic loans guarantees financing

	2020	2019
Charges for the year against Central Bank of Jordan loan	11,922,158	-
Interest on Central Bank of Jordan loan	(1,080,822)	-
Management fees	(108,412)	-
Income tax	(2,253,913)	-
	8,479,011	-

12. Central Bank of Jordan loan - industrial loans guarantees program

The Board of Ministers in their meeting held on 7 February 2006 authorized the Central Bank of Jordan, to give the Company a non interest bearing loan granted by the European Commission of an amount equivalent to JOD (5,160,695), the loan does not have a maturity date or any interest. The grant shall revert to the Central Bank 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 statement of financial position amounted to JOD (13,867,317) and JOD (11,756,062) as at 31 December 2020 and 2019 respectively.

13. Central Bank of Jordan loan - export credit guarantees program

During 2018 the Company has acquired a loan from Central Bank of Jordan totaling JOD (100) million with an annual interest rate (2%) for a period of ten years, the purpose of this loan is to strengthen the Company's ability to provide guarantees for exporters of value added industries against the risk of importers' default, through the use of loan proceeds to purchase governmental securities and retain investment income after deducting interest expense as a provision to meet any obligations arising from the granted guarantees.

The restricted balance presented under assets in the statement of financial position amounted to JOD (110,270,406) as at 31 December 2020 and JOD (107,835,069) as at 31 December 2019, all financial assets at amortized cost are mortgaged against Central Bank of Jordan loan, and their book value amounted to JOD (100,001,365).

14. Central Bank of Jordan loan - Support bank guarantees for contractors outside Jordan program

During 2019 the Company has acquired a loan from Central Bank of Jordan totaling JOD (100) million with an annual interest rate (2%) for a period of ten years, it will be used by the Company to guarantee the risks of supporting bank guarantees for contractors outside Jordan program, by participating in guarantee a maximum (50%) of bank guarantees for contractors outside Jordan, through the use of loan proceeds to purchase governmental securities and retain investment income after deducting interest expense as a provision to meet any obligations arising from the granted guarantees.

The restricted balance presented under assets in the statement of financial position amounted to JOD (105,760,016) as at 31 December 2020 and (101,854,608) as at 31 December 2019, all financial assets at amortized cost are mortgaged against Central Bank of Jordan loan, and their book value amounted to JOD (100,000,000).

15. Central Bank of Jordan loan - Housing loans program - Facilitated housing

At the end of 2019 the Company has acquired a loan from Central Bank of Jordan totaling JOD (100) million with an annual interest rate (0.5%) for a period of ten years, it will be used by the Company to guarantee the risks of housing loans granted by banks to low and limited income individuals within facilitated housing program, by participating in guarantee a maximum (80%) of loans granted, through the use of loan proceeds to purchase governmental securities and retain investment income after deducting interest expense as a provision to meet any obligations arising from the granted guarantees.

The restricted balance presented under assets in the statement of financial position amounted to JOD (104,585,138) as at 31 December 2020 and JOD (100,000,000) as at 31 December 2019, all financial assets at amortized cost are mortgaged against Central Bank of Jordan loan, and their book value amounted to JOD (100,000,000).

16. Central Bank of Jordan loan - Facing COVID-19 pandemic program

During 2020 the Company has acquired a loan from Central Bank of Jordan totaling JOD (300) million with an annual interest rate (0.5%) for a period of fifteen years, it will be used by the Company to guarantee the risks of loans granted by banks to sectors of professionals, proprietorships, small and medium companies, with the aim of enabling them to obtain financing at low costs in order to cover their financing needs during the circumstances and procedures for containing COVID-19 pandemic, through the use of loan proceeds to purchase governmental securities and retain investment income after deducting interest expense as a provision to meet any obligations arising from the granted guarantees .

The restricted balance presented under assets in the statement of financial position amounted to JOD (310,732,922) as at 31 December 2020, all financial assets at amortized cost are mortgaged against Central Bank of Jordan loan, and their book value amounted to JOD (300,000,000).

17. Ministry of Planning deposit

During 2012 the Company signed an agreement with the Ministry of Planning and Development and Employment fund whereby, the Ministry will provide an amount of JOD (1,250,000) for setting up a loan guarantee scheme for the loans granted by the Development and Employment Fund to finance pioneer projects. guarantees given under this scheme will cover up to maximum of (80%) of the principal value of a guaranteed loan and of the interest accrued up to maximum of (181) days, funds transferred to the Company under this agreement plus accrued interest shall be used to cover the guaranteed portion of defaulted loans.

The fund balance as at 31 December 2020 amounted to JOD (1,248,500) and the restricted balance presented under assets in the statement of financial position amounted to JOD (1,481,742) and JOD (1,419,154) as at 31 December 2020 and 2019 respectively.

18. Startup micro projects loans

During 2016 the Company has acquired interest free loans from the Central Bank of Jordan and other commercial and Islamic banks for the purpose of helping startup companies to develop their business activities, by using the proceeds from these loans exclusively in financing startup micro projects loans guarantee program through investing them in low risk financial instruments and retain their returns as a provision to face any liabilities that may arise against the granted guarantees, in case of running out from the retained returns the Company will stop granting any new guarantees.

The loan from Central Bank of Jordan which amounted to JOD (11,239,200) will mature on 8 March 2021 and the loans from the commercial and Islamic banks which amounted to JOD (15,259,758) will mature on 1 March 2026.

Also during 2018 the Company has acquired two loans from the Central Bank of Jordan totaling JOD (57,090,000) with (2%) annual interest rate, JOD (50) Million will be settled after ten years from date of loan execution, and JOD (7,090,000) will be settled through (15) semiannual installment starts from 15 March 2019, for the purpose of increasing the ceiling of loans guarantee for startup companies from JOD (100,000) to JOD (250,000), through investing them in low risk financial instruments and retain their returns as a

provision to face any liabilities that may arise against the granted guarantees, in case of running out from the retained returns the Company will stop granting any new guarantees.

The restricted balance presented under assets in the statement of financial position amounted to JOD (92,295,229) as at 31 December 2020 and JOD (90,296,544) as at 31 December 2019 part of it is mortgaged against Central Bank of Jordan loan amounted to JOD (63,029,768)

19. Payables and other current liabilities

	2020	2019
Income tax payable on provisions against restricted assets	6,075,052	2,040,496
Unearned commissions	1,093,002	722,857
Reinsurers	413,864	338,485
Provision for end of service indemnity	273,322	210,477
Accrued expenses	217,444	215,693
Shareholders Withholdings	79,917	80,485
Deferred grant income	10,149	21,427
Provision for Board of Directors' remunerations	55,000	55,000
Others	6,196	1,050
	8,223,946	3,685,970

20. Grant from World Bank

During the year 2014 the World Bank has granted the Company USD (1,000,000) under supervision of Central Bank of Jordan to develop certain areas in the Company (market research, risk management, product development, marketing, analysis and systems, human resources management).

Total amount used from the grant till end of 2020 was JOD (170,681) to purchase property and equipment and JOD (538,319) to cover other expenses related to the grant purposes.

21. Equity

Capital

The Company's authorized, subscribed and paid in capital is JOD (29,080,310) divided equally into (29,080,310) shares with par value of JOD (1) each as at 31 December 2020 and 2019.

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.

22. Administrative expenses

	2020	2019
Salaries and wages	1,003,577	951,082
Company's contribution in social security	110,130	104,140
Company's contribution in saving fund	86,464	80,438
Depreciation (Note 10)	75,023	118,070
Subscriptions	75,457	70,610
Marketing expenses	5,775	30,866
Medical and health insurance expenses	51,955	59,794
Board of Directors' transportation	71,200	71,200
Post, telephone, water and electricity	32,936	32,692
Official duties and training courses	11,537	33,846
Professional fees	23,528	22,346
Stationary and printings	10,960	13,099
Maintenance	38,073	35,796
Rent	-	2,850
Vehicles expenses	5,510	6,610
Others	22,180	16,395
	1,624,305	1,649,834

23. Basic and diluted earnings per share

	2020	2019
Profit for the year	645,019	1,043,103
Weighted average number of shares	29,080,310	29,080,310
	0.022	0.036

24. Shares registered in the name of the Company

The Company has invested in the Innovative Startups and SMEs Fund as an agent to the Government of Jordan, this investment has been financed by loan from the World Bank to the Government of Jordan, the Company will manage the Fund in compliance with agreements between the Company, World Bank and the Government of Jordan, there will be no liabilities nor returns to the Company from its investment in the Fund.

The par value of Fund's shares registered in the name of the Company is (21,292,462) JOD/Share and (14,194,962) JOD/Share as at 31 December 2020 and 2019 respectively.

25. Executive management remuneration

The salaries and remunerations of the executive management amounted to JOD (519,179) and JOD (472,716) as at 31 December 2020 and 2019 respectively.

26. 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.

2020	Up to one year	More than one year	Total
Assets			
Cash and cash equivalents	2,343,950	-	2,343,950
Deposits at banks	29,482,252	-	29,482,252
Restricted bank deposits	-	69,856,909	69,856,909
Restricted financial assets measured at amortized cost	-	669,135,861	669,135,861
Financial assets measured at fair value through other comprehensive income	-	1,158,613	1,158,613
Financial assets measured at amortized cost	-	3,482,735	3,482,735
Receivables and other current assets	1,534,840	-	1,534,840
Deferred tax assets	-	490,597	490,597
Property and equipment	-	3,032,532	3,032,532
Total assets	33,361,042	747,157,247	780,518,289
Liabilities			
Provisions against loans guarantees	-	46,961,641	46,961,641
Central Bank of Jordan loan – Industrial loans guarantees program	-	5,160,695	5,160,695
Central Bank of Jordan loan – Export credit guarantees program	-	99,999,277	99,999,277
Central Bank of Jordan loan – Support bank guarantees for contractors outside Jordan program	-	100,000,000	100,000,000
Central Bank of Jordan loan – Housing loans guarantees program – Facilitated housing	-	100,000,000	100,000,000
Central Bank of Jordan loan – Facing COVID-19 pandemic program	-	300,000,000	300,000,000
Ministry of Planning deposit	1,248,500	-	1,248,500
Startup micro projects loans	957,150	80,717,508	81,674,658
Payables and other current liabilities	8,223,946	-	8,223,946
Income tax provision	26,425	-	26,425
Total liabilities	10,456,021	732,839,121	743,295,142

2019	Up to one year	More than one year	Total
Assets			
Cash and cash equivalents	1,135,189	-	1,135,189
Deposits at banks	29,793,376	-	29,793,376
Restricted bank deposits	-	47,375,395	47,375,395
Restricted financial assets measured at amortized cost	-	365,786,042	365,786,042
Financial assets measured at fair value through other comprehensive income	-	1,161,120	1,161,120
Financial assets measured at amortized cost	-	3,482,692	3,482,692
Receivables and other current assets	1,411,878	-	1,411,878
Deferred tax assets	-	494,910	494,910
Property and equipment	-	3,093,884	3,093,884
Total assets	32,340,443	421,394,043	453,734,486
Liabilities			
Provisions against loans guarantees	-	24,190,560	24,190,560
Central Bank of Jordan loan – Industrial loans guarantees program	-	5,160,695	5,160,695
Central Bank of Jordan loan – Export credit guarantees program	-	99,999,277	99,999,277
Central Bank of Jordan loan – Support bank guarantees for contractors outside Jordan program	-	100,000,000	100,000,000
Central Bank of Jordan loan – Housing loans guarantees program – Facilitated housing	-	100,000,000	100,000,000
Ministry of Planning deposit	1,248,500	-	1,248,500
Startup micro projects loans	957,150	81,674,658	82,631,808
Payables and other current liabilities	3,685,970	-	3,685,970
Income tax provision	237,172	-	237,172
Total liabilities	6,128,792	411,025,190	417,153,982

27. 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.

2020	Up to one year	More than one year	Non-interest bearing	Total
Assets				
Cash and cash equivalents	2,342,950	-	1,000	2,343,950
Deposits at banks	29,482,252	-	-	29,482,252
Restricted bank deposits	-	-	69,856,909	69,856,909
Restricted financial assets measured at amortized cost	-	-	669,135,861	669,135,861
Financial assets measured at fair value through other comprehensive income	-	-	1,158,613	1,158,613
Financial assets measured at amortized cost	-	3,482,735	-	3,482,735
Receivables and other current assets	-	-	1,534,840	1,534,840
Deferred tax assets	-	-	490,597	490,597
Property and equipment	-	-	3,032,532	3,032,532
Total assets	31,825,202	3,482,735	745,210,352	780,518,289
Liabilities				
Provisions against loans guarantees	-	-	46,961,641	46,961,641
Central Bank of Jordan loan - Industrial loans guarantees program	-	-	5,160,695	5,160,695
Central Bank of Jordan loan – Export credit guarantees program	-	-	99,999,277	99,999,277
Central Bank of Jordan loan – Support bank guarantees for contractors outside Jordan program	-	-	100,000,000	100,000,000
Central Bank of Jordan loan – Housing loans guarantees program	-	-	100,000,000	100,000,000
Central Bank of Jordan loan – Facing COVID-19 pandemic program	-	-	300,000,000	300,000,000
Ministry of Planning deposit	-	-	1,248,500	1,248,500
Startup micro projects loans	-	-	81,674,658	81,674,658
Payables and other current liabilities	-	-	8,223,946	8,223,946
Income tax provision	-	-	26,425	26,425
Total liabilities	-	-	743,295,142	743,295,142
Interest rate re-pricing gap	31,825,202	3,482,735	1,915,210	37,223,147

2019	Up to one year	More than one year	Non-interest bearing	Total
Assets				
Cash and cash equivalents	1,122,943	-	12,246	1,135,189
Deposits at banks	29,793,376	-	-	29,793,376
Restricted bank deposits	-	-	47,375,395	47,375,395
Restricted financial assets measured at amortized cost	-	-	365,786,042	365,786,042
Financial assets measured at fair value through other comprehensive income	-	-	1,161,120	1,161,120
Financial assets measured at amortized cost	-	3,482,692	-	3,482,692
Receivables and other current assets	-	-	1,411,878	1,411,878
Deferred tax assets	-	-	494,910	494,910
Property and equipment	-	-	3,093,884	3,093,884
Total assets	30,916,319	3,482,692	419,335,475	453,734,486
Liabilities				
Provisions against loans guarantees	-	-	24,190,560	24,190,560
Central Bank of Jordan loan - Industrial loans guarantees program	-	-	5,160,695	5,160,695
Central Bank of Jordan loan – Export credit guarantees program	-	-	99,999,277	99,999,277
Central Bank of Jordan loan – Support bank guarantees for contractors outside Jordan program	-	-	100,000,000	100,000,000
Central Bank of Jordan loan – Housing loans guarantees program	-	-	100,000,000	100,000,000
Ministry of Planning deposit	-	-	1,248,500	1,248,500
Startup micro projects loans	-	-	82,631,808	82,631,808
Payables and other current liabilities	-	-	3,685,970	3,685,970
Income tax provision	-	-	237,172	237,172
Total liabilities	-	-	417,153,982	417,153,982
Interest rate re-pricing gap	30,916,319	3,482,692	2,181,493	36,580,504

28. Operating segments

The company's main operations include providing guarantees to fully or partially cover loans of different types granted by banks and financial institutions, extending guarantees required to cover risks in the field of Jordanian export sector, and investing in financial securities, information about operating segments are as follows:

	Local	
	2020	2019
Revenue from loans guarantees	2,102,502	1,659,231
Revenue from guarantees of exports and domestic buyers	263,947	215,196
Revenue from investing in financial securities	1,774,203	2,093,614
Assets related to guarantees of loans and export sector	738,992,770	413,161,437
Assets related to investment in financial securities	36,754,689	36,461,834

29. Fair Value of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets of the Company include cash and cash equivalents, financial securities and receivables. Financial liabilities of the Company include Central Bank of Jordan loan, accounts payable, ministry of planning deposit and startup micro projects loans.

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.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

2020	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	909,423	145,000	104,190	1,158,613
2019	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	911,930	145,000	104,190	1,161,120

Financial assets included in level 3 are stated at cost less impairment charges, as the fair value of these assets cannot be measured reliably due to the lack of available active markets for identical assets.

30. Financial Risk Management

Credit Risk

Credit risks are those risks resulting from the default of counterparties to the financial instrument to repay their commitment to the Company. The Company limits its credit risk by only dealing with reputable banks and by setting credit limits for individual customers and monitoring outstanding receivables. 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 statement of financial position to the contractual maturity date:

2020	Less than one year	More than one year	Total
Provisions against loans guarantees	-	46,961,641	46,961,641
Central Bank of Jordan loan - Industrial loans guarantees program	-	5,160,695	5,160,695
Central Bank of Jordan loan - Export credit guarantees program	-	99,999,277	99,999,277
Central Bank of Jordan loan - Support bank guarantees for contractors outside Jordan program	-	100,000,000	100,000,000
Central Bank of Jordan loan - Housing loans guarantees program – Facilitated housing	-	100,000,000	100,000,000
Central Bank of Jordan loan - Facing Covid-19 pandemic program	-	300,000,000	300,000,000
Ministry of Planning deposit	1,248,500	-	1,248,500
Startup micro projects loans	957,150	80,717,508	81,674,658
Payables and other current liabilities	8,223,946	-	8,223,946
Income tax provision	26,425	-	26,425
	10,456,021	732,839,121	743,295,142

2019	Up to one year	More than one year	Total
Provisions against loans guarantees	-	24,190,560	24,190,560
Central Bank of Jordan loan - Industrial loans guarantees program	-	5,160,695	5,160,695
Central Bank of Jordan loan - Export credit guarantees program	-	99,999,277	99,999,277
Central Bank of Jordan loan - Support bank guarantees for contractors outside Jordan program	-	100,000,000	100,000,000
Central Bank of Jordan loan - Housing loans guarantees program – Facilitated housing	-	100,000,000	100,000,000
Ministry of Planning deposit	1,248,500	-	1,248,500
Startup micro projects loans	957,150	81,674,658	82,631,808
Payables and other current liabilities	3,685,970	-	3,685,970
Income tax provision	237,172	-	237,172
	6,128,792	411,025,190	417,153,982

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, annual interest rates on bank deposits and bonds ranging between (2% - 6.099%) (2019: 3.5% - 7.25%). To avoid this risk, the company's deposits are short term and have fixed interest rates, if interest rates had increased or decreased by (0.5%) annually the net result for the year would have been reduced / increased by JOD (176,911) for 2020 (2019: JOD 172,328).

Loans and exports guarantees risks

The company guarantees (70%) of productive loans to the low and medium income applicants not exceeding JOD (250,000) and guarantees (75%) of housing loans to the low and medium income applicants provided that the loan does not exceed JOD (75,000). The company guarantees (70%) of industrial loans and financial leasing up to JOD (1,000,000) for each.

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.

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 Dinar or US Dollar. As the Jordanian Dinar is pegged to the US Dollar, balances in US Dollar 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 comprehensive income for the year would be increased / reduced by JOD (86,168) during 2020 (2019: JOD 86,405).

31. 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 investing the company's assets commensurately with the level of risk.

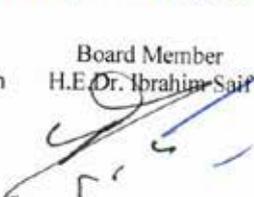
Board of Directors Declarations 2020

1. The Board of Directors of the Jordan Loan Guarantee Corporation declare that no material issues might influence the continuity of the corporation during the upcoming fiscal year 2021.

Board Member
Dr. Khaldoun Al Wshah



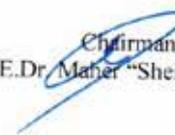
Board Member
H.E. Dr. Ibrahim Saif



Board Member
H.E. Mrs. Nadia Al Saeed



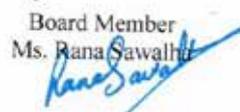
Chairman
H.E. Dr. Maher "Sheikh Hasan"



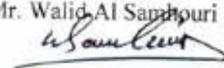
Board Member
Mr. Tawfeeq Mukahal



Board Member
Ms. Rana Sawalha



Board Member
Mr. Walid Al Samhouri



Vice Chairman
Mr. Kamal Al Bakri



Board Member
H.E. Dr. Ismail Zaghoul



Board Member
Dr. Adnan Al Hindi



Board Member
Mr. Khattab Al Banna



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

Board Member
Dr. Khaldoun Al Wshah



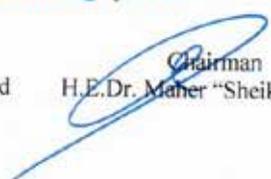
Board Member
H.E. Dr. Ibrahim Saif



Board Member
H.E. Mrs. Nadia Al Saeed



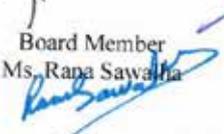
Chairman
H.E. Dr. Maher "Sheikh Hasan"



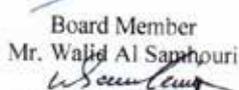
Board Member
Mr. Tawfeeq Mukahal



Board Member
Ms. Rana Sawalha



Board Member
Mr. Walid Al Samhouri



Vice Chairman
Mr. Kamal Al Bakri



Board Member
H.E. Dr. Ismail Zaghoul



Board Member
Dr. Adnan Al Hindi



Board Member
Mr. Khattab Al Banna

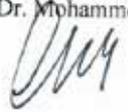


3. We the undersigned declare that the financial statements and information within the Annual Report 2020 are correct.

Finance Dept. Manager
Mr. Issa Tarayrah



JLGC Director General
H.E. Dr. Mohammed Al Ja'fari



Chairman
H.E. Dr. Maher "Sheikh Hasan"

