



**J**ORDAN  
LOAN GUARANTEE CORP.

**The Small Business Company Of Jordan**

**28th Annual Report**

**2021**

[www.jlgc.com](http://www.jlgc.com)





# Jordan Loan Guarantee Corporation

## 28th Annual Report 2021

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





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

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## **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 March 26th 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 build the optimal model for credit guarantees and support to MSMEs.

### **Our Mission**

Enhancing the opportunities for MSMEs to obtain appropriate credit by providing loan guarantee and enhancing Jordanian exports and domestic sales by providing credit insurance at sustainable basis.

### **Our Values**

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

## Letter from the Chairman of the Board

### Respected shareholders,

Despite the circumstances created by the COVID-19 pandemic, JLGc was able to deal with the challenges faced during the year 2021, due to its various guarantee programs, the strength of its capital base and the adequacy of its allocations. The company has the right to be proud of what has been accomplished during the year and for what was provided to the national economy and to Jordanian society. The company enhanced the sustainability of its operations, services and programs through various methods and the continuous efforts of its staff, even in the most difficult circumstances.



JLGc 28<sup>th</sup> annual report presents the most important achievements of the company supported by the Central Bank of Jordan and in cooperation with its main partners to help the Jordanian micro, small and medium-sized companies and exporters to enhance their chances of recovery and restore the momentum of their economic activities. The report also provides more elaboration on the company performance and financial statements as on December 31, 2021.

The Central Bank of Jordan resolutions mitigated the pandemic impact on economic sectors, JLGc also adopted a set of strategies to ensure the sustainability of work. Extending the work in the national program to encounter Covid-19 launched by CBJ in 2020 was one of the most vital actions that reflects the company methodology in developing SMEs sector and enhancing the competitiveness of Jordanian exports by raising the guarantee ceiling and introducing new products that meet the partners, customers and market requirements to achieving the objectives stated at JLGc Memorandum of Association and Articles of Association.

### Dear Shareholders,

JLGc experience and proper planning in dealing with any exceptional circumstances enabled the company to provide the financial institutions and exporters with the guarantee services during the pandemic in a timely manner, especially during the lockdown. The company was proactive in supporting banks and exporters within the highest levels of readiness during the crisis. The pandemic also imposed a rapid response from the company in terms of adopting a digital transformation strategy that meets the needs and aspirations of its partners, whether by developing existing systems or adding support systems and effectively keeping pace with modern trends in the field of financial technology.

Moreover, in cooperation with the Central Bank of Jordan, JLGc has launched several projects and initiatives, most notably the micro-finance program aiming to help Micro companies to continue their business and cover their operational and capital expenses during the COVID-19 pandemic.

During the year 2021 and through various loan guarantee programs, JLGc guaranteed around 2000 loans with a nominal value of JD 154.5 million. The number of guaranteed loans reached 9596 with a guaranteed value of JD 428 million at the end of the year 2021.

JLGc also continued to expand work in the Export Credit Guarantee program in 2021 achieving 55% growth in the value of guaranteed shipments, while the actual commissions from the program recorded approximately 52% growth, due to the review of the commission rate and the increase of the retention rate, The number of guaranteed shipments arise to reach 2421 valued JD 176 million during the year 2021, compared to 1800 shipments worth JD 113 million during 2020. The company signed 14 new export policies with many industrial companies and 5 policies within the domestic sales credit guarantee program.

Furthermore, JLGCC will be launching a new loan guarantee program for Housing Loans Financing (Facilitated Housing) to serve low-income people in 2022.

**Dear Shareholders,**

The growth recorded in the company's operational activity was positively reflected in its financial results during the year 2021. As the company achieved a remarkable growth in its total revenues up to 16% compared to 2020, the revenues amounted to JD 5,219 thousand, compared to total revenues of JD 4,487 thousand were achieved in 2020. A significant growth recorded in the company's operational revenues, which has been raised from JD 2,366 thousand in 2020 to JD 3,094 thousand in 2021, while the company's investment revenues amounted to JD 1,570 thousand in 2021, compared to JD 1,774 thousand during the year 2020.

As for the total shareholders' equity increased from JD 37,223 thousand at the end of 2020 to JD 38,360 thousand at the end of 2021, while the company's assets amounted to JD 798 million at the end of 2021 compared to JD 781 million in 2020.

According to the final financial statements for the year 2021, the company achieved a net profit after tax amounted to JD 1,130 thousand, against to 645 thousand dinars recorded in 2020.

**Dear Shareholders,**

In conclusion and at the end of the term of the Board of Directors, I would like to extend my thanks and appreciation to each member of the Board for the great efforts have been made over the past four years, which have contributed to achieving the company's goals and enhancing its position and elevation as a leading Jordanian institution in providing guarantee services at the kingdom. I also extend my deepest thanks to our shareholders and partners for their support and trust in JLGCC, and all thanks and appreciation to all the employees for their efforts and team spirit and their dedication in providing the best services during the hardest circumstances. Thanks is also extended to the Central Bank of Jordan for its role and support for all economic sectors, especially during the COVID-19 pandemic, under the leadership of His Majesty King Abdullah II Ibn Al Hussein, may God protect him.

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

**Chairman of Board**



**Dr. Adel Al Sharkas**

## Summary of JLGC Operational and Financial Results in 2021

### Loan Guarantee Results:

#### Total Guaranteed Loans 2021 - 2020

Loan Type	2021		2020	
	No.	Guaranteed value	No.	Guaranteed value
Productive Loans	417	12,886,849	312	9,464,800
Industrial Finance Loans	384	24,491,548	218	18,200,416
Housing Loans	13	530,475	19	773,024
National Program - Covid-19	1,186	82,902,992	5,117	353,704,148
<b>Total</b>	<b>2,000</b>	<b>120,811,864</b>	<b>5,666</b>	<b>382,142,388</b>

#### Total Executed & In Process Guaranteed Loans in 2021

Loan Type	Executed		In process		Total	
	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value
Productive Loans	417	12,886,849	19	1,056,767	436	13,943,616
Industrial Finance Loans	384	24,491,548	25	4,791,550	409	29,283,098
Housing Loans	13	530,475	0	0	13	530,475
National Program - covid-19	1,186	82,902,992	21	4,777,000	1,207	87,679,992
<b>Total</b>	<b>2,000</b>	<b>120,811,864</b>	<b>65</b>	<b>10,625,317</b>	<b>2,065</b>	<b>131,437,181</b>

#### Outstanding Guaranteed Loans Portfolio 2021 – 2020

Portfolio	2021		2020	
	No.	Guaranteed Value	No.	Guaranteed Value
Productive Loans	1,813	35,808,683	2,094	37,204,954
Industrial Finance Loans	920	54,901,045	655	43,874,684
Housing Loans	813	13,850,763	938	15,504,396
National Program - covid-19	6,050	323,407,037	5,070	327,586,015
<b>Total</b>	<b>9,596</b>	<b>427,967,528</b>	<b>8,757</b>	<b>424,170,049</b>

#### Ceilings Granted to Banks and Utilized 2021 - 2020

Ceiling	2021		2020	
	Ceiling	Utilized	Ceiling	Utilized
Productive Loans	43,955,134	35,808,683	44,510,134	37,204,954
Housing Loans	20,999,395	13,850,763	24,565,505	15,504,396
Small Startups Loans	12,600,000	9,650,542	10,000,000	11,800,588
Renewable Energy	600,000	430,695	600,000	459,610
<b>Total</b>	<b>78,154,529</b>	<b>59,740,683</b>	<b>79,675,639</b>	<b>64,969,548</b>

## Export Credit Guarantee Results:

### Guaranteed Shipments during 2021

Shipments	2021		2020	
	No.	Guaranteed Value	No.	Guaranteed Value
Export Credit Guarantees	2,421	176,984,408	1,800	113,649,058
Domestic Sales Credit Guarantees	4,189	2,165,034	2,801	1,765,636
<b>Total</b>	<b>6,610</b>	<b>179,149,442</b>	<b>4,601</b>	<b>115,414,694</b>

### Guaranteed Shipments Portfolio 2021 - 2020

Portfolio	2021		2020	
	No.	Guaranteed Value	No.	Guaranteed Value
Export Credit Guarantees	702	55,969,839	567	35,350,755
Domestic Sales Credit Guarantees	3,552	1,317,202	1,860	1,244,122
<b>Total</b>	<b>4,252</b>	<b>57,287,042</b>	<b>2,427</b>	<b>36,594,877</b>

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

Claims	2021	2020
Loan Guarantee Programs	2,090,236	2,583,553
Industrial Finance Programs	506,514	926,108
Covid-19 Programs	228,466	0
Export Credit Program	14,757	11,529
<b>Total</b>	<b>2,839,973</b>	<b>3,521,190</b>

Claims Paid	2021	2020
Loan Guarantee Programs	1,536,870	2,236,888
Industrial Finance Pro-	419,251	867,030
Covid-19 Programs	142,110	0
Export Credit Program	0	48,083
<b>Total</b>	<b>2,098,231</b>	<b>3,152,001</b>

Re-scheduling	2021	2020
Loan Guarantee Programs	9,356,169	25,870,586
Industrial Finance Programs	6,830,260	15,249,951
Covid-19 Programs	1,812,598	0
Export Credit Program	0	0
<b>Total</b>	<b>17,999,026</b>	<b>41,120,537</b>

Recoveries	2021	2020
Loan Guarantee Programs	478,516	286,123
Industrial Finance Programs	159,645	194,578
Covid-19 Programs	0	0
Export Credit Program	0	0
<b>Total</b>	<b>638,162</b>	<b>480,701</b>

### Financial Results:

Revenues and Expenses	2021	2020
Operational Revenues	3,094,634	2,366,449
Investment Revenues	1,570,286	1,774,203
Other Revenues	554,156	346,590
<b>Total Revenues</b>	<b>5,219,076</b>	<b>4,487,242</b>
<b>(Less) General and Administrative Expenses</b>	<b>1,778,912</b>	<b>1,624,305</b>
<b>Gross Profit / (Loss)</b>	<b>3,440,164</b>	<b>2,862,937</b>
(less ) Provisions and other fees	2,009,614	2,067,429
(less) income tax	300,417	150,489
<b>Profit (loss )</b>	<b>1,130,133</b>	<b>645,019</b>

## Board of Directors Report

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## 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 and micro companies through the following programs:

	Max. Loan Amount (JOD)	Max. Payment Period (Month)	Guarantee Percentage (%)
<b>Productive Loans Guarantee Programs</b>			
SMEs Loan Guarantees	250,000	72	70%
Micro Loan Guarantees	15,000	36	70%
Industrial Loan Guarantees (EJADA)	1,000,000	96	80%
Leasing Guarantees (EJADA)	1,000,000	96	70%
"Kafala" Program- Islamic Financing (Industries & services)	1,000,000	96	80%
"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 for Loan Guarantee Program to encounter Covid-19	1,000,000	54	85%
Central Bank's Program Guarantee for Financing Micro and Small Companies	25,000	42	85%

<b>Housing Loans Guarantee Programs</b>			
Housing Loan Guarantees	75,000	300	75%
Land Purchase Loan Guarantees	50,000	120	70%
Housing Loan Guarantee for low and middle-income people - Facilitated Housing	35,000	300	90%

\* 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:

	Max. Shipment Amount (\$)	Max. Payment Period (Month)	Guarantee Percentage (%)
<b>Export credit Guarantee Programs</b>			
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 54 employees during the year 2021.

## **c. Size of Capital Investment**

Total size of Capital investment was 2,993,346 JD in 2021 in comparison with 3,032,532 JD in 2020.

## **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 Mohammad "Sheikh Hasan"**  
**Chairman**  
**Deputy Governor of the Central Bank of Jordan**

**Mr. Kamal Al Bakri**  
**Vice Chairman**  
**Representative of Cairo Amman Bank**

**H.E.Mrs. Nadia Al Saeed**  
**Board Member**  
**Representative of Bank Al Etihad**

**Mr. Walid Al Samhour**  
**Board Member**  
**Representative of Arab Bank**

**Dr. Khaldoun Al Wshah**  
**Board Member**  
**Representative of the Central Bank of Jordan**

**Mr. Tawfiq Mukahall**  
**Board Member**  
**Representative of Jordan Kuwait Bank**

**Ms. Rana Sawalha**  
**Board Member**  
**Representative of the Housing Bank for Trade & Finance**

**Mr. Khatab Al Banna**  
**Board Member**  
**Representative of Amman Chamber of Commerce**

**H.E.Dr. Ibrahim Saif**  
**Independent Board Member**

**Dr. Adnan Al Hindi**  
**Independent Board Member**

**H.E.Dr. Ismail Zaghloul**  
**Independent Board Member**

\* The Governor of the Central Bank of Jordan Dr. Adel Ahmed Al-Sharkas, was appointed the representative of the Central Bank of Jordan at the Board of Directors of JLGC, instead of H.E.Dr. Maher Khalil "Sheikh Hassan" as of 3/2/2022.

\* H.E.Dr Mohammed Al Ja'fari: Director General.

\* Mr. Issa Tarayra: Secretary of the Board of Directors.

**H.E.Dr. Adel Ahmed Ismail Al Sharkas - Chairman of the Board of Directors As of 3/2/2022**

**Governor of the Central Bank of Jordan**

**Date of Birth: 10/7/1966**

- Ph.D. in Financial Economics/University of New Orleans/USA 2002.
- Masters in Economics/ Yarmouk University 1990.
- Bachelor's degree in Applied Statistics / Yarmouk University 1988.
- Governor of the Central Bank since 10/01/2022.
- Deputy Governor of the Central Bank of Jordan 2012 - 2021.
- Several positions at the Central Bank of Jordan since 1991.
- Director of the Research Department at the Central Bank in 2011.
- Assistant Director of the Research Department at the Central Bank in 2010.
- Head of the Monetary Affairs Department in 2008.
- Representative of Jordan and the Central Bank of Jordan in many regional and international conferences.
- Lecturer at many local and foreign universities.
- Has many research papers in international newspapers and in the field of monetary and financial policy.
- Won many awards such as:
  - The award for the best paper at the level of American universities for the year 2006, according to the classification of the Academy of Economics and Finance in the United States of America, The title of the paper was: "The Impact of Mergers and Acquisitions on the Efficiency of the U.S. Banking Industry" .
  - Best Lecturer Award at Alfred University, USA 2005.

**H.E.Dr. Maher Khalil Mohammad "Sheikh Hasan" - Chairman of the Board Until 3/2/2022**

**Deputy Governor / Central Bank of Jordan**

**Year of Birth: 17/01/1970**

- 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 Gharib Abdel-Rahim Al-Bakri - Vice Chairman**

**General Manager / Cairo Amman Bank**

**Year of Birth: 07/06/1969**

- Master's Degree in Management of International Banking and Finance from Salford Manchester / UK 2017.
- Bachelor's Degree in law from the University of Jordan 1991.
- Holds the title of Professor in Law.
- General Manager of Cairo Amman Bank since 2008.
- Former Deputy General Manager at Cairo Amman Bank.
- Former Director of the Legal Department and Legal Adviser to Cairo Amman Bank.
- Vice Chairman of the Board of Directors of the Jordan Loan Guarantee Company.
- Chairman of the Board of Directors of the Jordan Express Tourist Transportation Company (JETT).
- Board member of the Jordan Insurance Company.
- Board member of National Real Estate Portfolio Securities.
- Chairman of the Directors of Tamallak Leasing company LLC.
- Member of the Board of Directors of Al-Safa Bank (Islamic Bank) – Palestine.
- Member of the Board of Trustees of the University of Jordan.
- Vice Chairman at Network International / Jordan.
- Former board member in many public and private joint stock companies working in various sectors such as tourism, education, industry and real estate development.
- Former member of the Board of Trustees of the University of Science and Technology, Association of Banks Operating in Jordan, Institute of Banking Studies, Jordan Economic Dialogue Committee, Board of Directors of the Scientific Research and Innovation Fund.

**H.E.Mrs. Nadia Hilmi Hafez ALSaeed - Board Member**

**Chief Executive Officer / Bank al Etihad**

**Year of birth: 25/08/1965**

- Master's degree in 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 Advisor, Etihad Bank.
- CEO of Dead Sea Development Corporation.
- Minister of Communications and Information Technology.
- Director 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.
- Chairman of Endeavor Jordan.

**Mr. Walid Muhi Eddin Mohammad Al Samhoury - Board Member**

**Jordan Head / Arab Bank PLC.**

**Year of Birth: 27/10/1962**

- 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.

**H.E.Dr. Khaldoun Abd Allah Mahmoud AlWshah - Broad Member**

**Deputy Governor / Central Bank of Jordan as of 9/2/2022**

**Year of birth: 14/04/1970**

- PhD in Finance / HULL University / UK 2009.
- Scientific Research Master in Business Administration / HULL University / UK 2006.
- Master's in Business Administration / Finance / University of Jordan 2000.
- Bachelor's in Economics / University of Mustansiriya / Iraq 1992.
- Executive Director / Open Market Operations and Public Debt Dept. since 2013 .
- Assistant Executive Director / Investments and Foreign Operations Dept. 2012.
- Head of External Loans and Grants Division / Investments and Foreign Operations Dept. 2010.
- 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. Tawfiq Abdelqader Mohammad Mukahall - Board Member**

**Deputy General Manager / Jordan Kuwait Bank**

**Year of Birth: 15/04/1951**

- Bachelor's degree in Economics and Commerce / University of Jordan 1969 - 1970.
- Chairman of the Board of Directors of the Arab Insurance Company from 4/5/2021 until 1/12/2021
- Deputy General Manager of Jordan Kuwait Bank since 1991 until 4/5/2021.
- Executive Manager / Credit and Marketing / National Bank of Kuwait 1971 - 1990.
- Vice Chairman for the Jordan Mortgage Refinance Company.
- Member of the Board of Directors of Al-Sharq Al-Arabi Insurance Company.
- Former Board Member at the Jordan Steel Company.
- Former Board Member at National Electric Power Company.
- Former Board Member - Al-Thiqa Company for Financial Investments
- Participated in advanced courses regarding international and commercial finance and advanced credit with Citi Bank in Greece 1980 - 1981.

**Ms. Rana Raymond Jamil Sawalha - Broad Member**  
**Executive Manager for Finance Group / The Housing Bank for Trade and Finance**  
**Year of Birth: 11/07/1971**

- Holds CPA Certificate / Illions Board of Accountancy 1998.
- Bachelor's degree in Accounting – Minor Business Administration - University of Jordan 1993.
- Executive Manager – Group Finance at the Housing Bank for Trade and Finance since 10/2019.
- Vice President – personal banking business Finance-Group 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.
- Financial controller at Bank ABC from 10/2012 - 10/2015.
- Assistant Financial controller at Bank ABC from 11/2001 - 09/2012.
- Internal Audit manager at Arab Jordanian Insurance Group from 01/2001 - 11/2001.
- Senior auditor at Ernst & Young EY from 01/1994 - 05/2000

**H.E.Dr. Ibrahim Hasan Mustafa Saif - Independent Board Member**  
**Year of Birth: 10/08/1965**

- Ph.D. in Economics, University of London, 2001.
- Master of Economics University of London 1988.
- Bachelor of Economics and Accounting, Yarmouk University, 1986.
- Professor of Economics and Director of the Center for Strategic Studies at the University of Jordan 2002 - 2008.
- Researcher at the Carnegie Middle East Center 2009 - 2013.
- Secretary General of the Economic and Social Council in Jordan 2009 - 2012.
- Minister of Planning and International Cooperation 2013 - 2015.
- Minister of Energy and Mineral Resources 2015 - 2017.
- Member for the Board of Directors of Safwa Bank.
- CEO of Jordan Strategy Forum 2018 - 2021.
- Vice Chairman for Manaseer Group.

**Dr. Adnan Hasan Issa El Hindi - Independent Broad Member**  
**Year of Birth: 30/03/1938**

- 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.
- Board Member / Arab Institute for Banking and Financial Studies Beirut - Lebanon 1989 - 2000.
- Board Member / Association of Banks in Jordan 1979 - 1984.

**H.E.Dr. Ismail Said Zain Zaghloul - Independent Broad Member**

**Year of Birth: 01/01/1947**

- PhD in Finance from Amman Arab University in 2003.
- Master's Degree in Economics from Jordan University 1984.
- Bachelor's 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. Khatab "Mohammed Khaled" Ibrahim Al Banna - Independent Broad Member**

**Board Member / Treasurer of Amman Chamber of Commerce Board of Directors**

**Year of Birth: 31/03/1968**

- Bachelor degree in Accounting.
- Board Member / Treasurer of Amman Chamber of Commerce Board of Directors.
- Board Member / Jordan Chamber of Commerce Board of Directors.
- Partner / Salam Company for Media.
- Partner and General Manager / Khattab Mohammed Khaled Ibrahim AlBanna & Partner Company.
- Partner and General Manager of Ahl Al-Azm Company.
- Partner in Emtinan Investment Company.

**JLGC Board of Directors held 8 meetings during 2021**

## b. Executive Management

**Dr. Mohammed Lutfi Al Ja'fari**  
Director General

**\*Mr. Abdel Salam Faisal Al Nusair**  
Deputy Director General  
Until 30/6/2021

**\*\*Mrs. Amal Mahmood Jaradat**  
Export Credit Guarantee and Domestic  
Sales Dept. Manager

**Mr. Issa Ismail AlTarayrah**  
Finance Dept. Manager  
Secretary of the Board

**\*\*\*Mr. Feras Mustafa Fayyad**  
Loan Guarantee Dept. Manager  
Until 28/8/2021

**\*\*\*\*Mr. Tarek Talal Al Nabulsi**  
Follow ups. Indemnifications &  
Recoveries Dept. Manager  
Until 26/9/2021

**\*\*\*\*\*Mr. Rami Awwad Samardali**  
Follow ups, Indemnifications &  
Recoveries Dept. Manager  
Since 26/9/2021

**Ms. Ahmad Hashem Beirqdar**  
Risk Management and Compliance  
Control Dept. Manager  
Since 26/9/2021

**Mr. "Muhammad Noor" Al Jabai**  
Support Dept. Manager  
Since 19/9/2021

**Mr. Saif Shibli Al Farah**  
Internal Audit Unit Manager

**Mrs. Maysoun Ibrahim Al Amarnah**  
Business Development and Market  
Research Manager  
Since 10/1/2021

**Mrs. Hanaa Al Shihabi**  
ISSF Monitoring Unit Manager

\* **Mr. Abdel Salam Faisal Al Nusair**, Deputy Director General until the date of his resignation on 30/06/2021, **Ms. Amal Mahmood Jaradat** was appointed as Deputy Director General from 07/07/2021.

\*\* **Mrs. Amal Mahmood Ahmad Jaradat**, Manager of the Export Credit Guarantee and Domestic Sales Department until 06/07/2021, **Mrs. Fatima Saeed Hamdan** was appointed as the Department Acting Manager from 07/07/2021.

\*\*\* **Mr. Feras Mustafa Khalil Fayyad**. Manager of the Loan Guarantee Department until 28/08/2021 and an Advisor until 30/09/2021, **Mr. Mahmoud Ahmed Al-Rbeihat** was appointed as the Department Acting Manager from 29/08/2021.

\*\*\*\* **Mr. Tarek Talal Al Nabulsi**. Manager of Follow ups, Indemnifications & Recoveries Department, until the date of his resignation on 23/09/2021.

\*\*\*\*\* **Mr. Rami Awwad Ayed Samardali**. Manager of Risk and Compliance Department until 25/09/2021, **Mr. Ahmad Hashem Beirqdar** was appointed as the Manager of the Department from 26/09/2021.

**Mr. Jehad Younes Al-Qdeimat**. Director of the Support Department until the date of his resignation on 30/06/2021, **Mr. "Muhammad Nour" Mahmoud Al-Jabai** was appointed as the Manager of the Department from 19/09/2021.

**Dr. Mohammed Lutfi Mohammed 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's Degree in economics / Yarmouk University / Jordan 1984.
- Director General / Jordan Loan Guarantee Corporation / since 3 July 2011.
- Chairman of the Board of Directors – Innovative Startups and SMEs Fund (ISSF) since 2017.
- Member of Risk Management and Compliance Control Committee at JLGC.
- 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 (ASEZA) / 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's degree in Administrative Sciences / Accounting / Yarmouk University in 1988.
- Director of Risk Management and Strategic Planning Department / Social Security Funds Investment Fund 2005 - 2011.
- Director of Financial Control Department 2011.
- Economist / Senior Financial Analyst in the Department of Foreign Investment and Operations / Central Bank of Jordan 1992 - 2005.

**Mrs. Amal Mahmood Ahmad Jaradat - Manager of Export Credit Guarantee and Domestic Sales Department**

**Date of Birth: 4/10/1971**

- Bachelor's Degree in Business Administration / University of Jordan 1993.
- 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. Issa Ismail Murshed AlTarayrah - Manager of Finance Department**

**Date of birth: 17/9/1980**

- Bachelor's Degree in accounting / Al-Ahliyya Amman University 2002.
- External Auditor at the international professional office for auditing 2002 – 2004.
- Secretary of the Board at JLGC.

**Mr. Rami Awwad Ayed Samardali - Manager of Follow ups, Indemnifications & Recoveries Department**

**Date of Birth: 6/12/1978**

- Bachelor's Degree in Banking & Finance / Philadelphia University 2000.
- Accountant at Arab Printers Company 2001 – 2005.

**Mr. Ahmed Hashem Muslim Bierqdar - Manager of Risk Management and Compliance Control Department**

**Date of birth: 29/6/1981**

- Bachelor's Degree in Accounting / Yarmouk University in 2003.
- CFE Certified Fraud Examiner 2019.
- CAMS Certified Anti-Money Laundering Specialist 2015.
- Certified Banking Auditor (CBA) 2008.
- Certified Risk Professional (CRP) 2008.
- CORE Certified Operational Risk Executive 2008.
- Director of Operational Risks and Business Continuity Plan Department / Jordan Capital Bank 2018 - 2020.
- Internal Audit Manager / Jordan Capital Bank 2014 - 2018.
- Director of Risk and Compliance Department / Al Mawarid Financial Brokerage Company - Investment Bank 2012 - 2013.
- Head of the Audit Unit of Subsidiaries. Finance and Investment - Internal Audit Department / The Investment Bank 2009 - 2012.
- Risk Management and Compliance Control Committee at JLGC.

**Mr. Feras Mustafa Khalil Fayyad - Manager of Loan Guarantee Department**

**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.
- Loan Guarantee Consultant until 30/9/2021.
- Loan Guarantee Dept. Manager until 28/8/2021.
- Commercial Relations Manager (Senior) / Dubai Commercial Bank - Abu Dhabi 2014 - 2017.
- Senior Customer Relations 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 - Manager of Follow ups, Indemnifications & Recoveries Department**

**Date of birth: 20/7/1970**

- Bachelor's degree in Finance and Banking / Al Ahliyya Amman University 1994.
- 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 - Manager of Support Department**

**Date of birth 3/4/1968**

- Master of Economics / Al-Bayt University 2002.
- Bachelor's degree in Economics and Statistics / Al Ahliyya Amman University 1994.
- Nominations and remunerations committee at JLGC.
- Chairman Advisor of the Board of Personnel / Arab International Company for Education and 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.
- Administrative treasurer / Al-Ahliyya Amman University 1994-1996.

**Mr. "Muhammad Noor" Al-Jabai - Manager of Support Department**

**Date of birth: 28/7/1979**

- Bachelor's degree in Computer Science / Yarmouk University in 2001.
- Computer Center Manager / Irbid Governorate Electricity Company 2014 - 2021.
- Director of Workflow Development Department / Irbid Governorate Electricity Company 2010 - 2014.
- Systems Analyst / Business Analyst / Project Manager / Al Ahlia Computer Optimiza 2007 - 2010.

**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's degree in Business Administration / Mu'tah University 2000.
- Audit Committee and Government Committee at JLGC.
- 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. Maysoun Al-Amarnah - Manager of Business Development and Market Research Unit**  
**Date of birth: 29/6/1981**

- Bachelor's degree in Industrial Engineering / Engineering Management 1996.
- Engineer / Industrial Development Bank 1997 - 2000.
- Director of the Women's Enterprise Center / Association of Business and Professional Women - Amman 2001 - 2002.
- Architect / Engineer Aisha Jaber Office 2002 - 2005.
- Project Follow-up Officer / Noor Al Hussein Foundation 2005 - 2006.
- Architect / Engineer Aisha Jaber's office 2006 - 2007.
- Director / CARE International Organization - Jordan 2007 - 2008.
- ILO/Lebanon 2008- 2010 Enterprise Advisor.
- Director of the Strategic Planning Unit / King Abdullah II Fund for Development 2010 - 2016.
- Planning Director/King Abdullah II Fund 2018 - 2020.
- Project Manager - Arab Foundation for Sustainable Development 2005 - 2020.

**Mrs. Hanaa "Mohammed Mamdouh" Alshihabi - ISSF Monitoring 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's Degree in Political Science / American University 1995.
- 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 2021**

Shareholder	2021		2020	
	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	1,973,936	6.79%	1,966,281	6.76%
Cairo Amman Bank	1,934,874	6.65%	1,904,314	6.55%
The Housing Bank for Trade and Finance	1,657,100	5.70%	1,657,100	5.70%

**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**

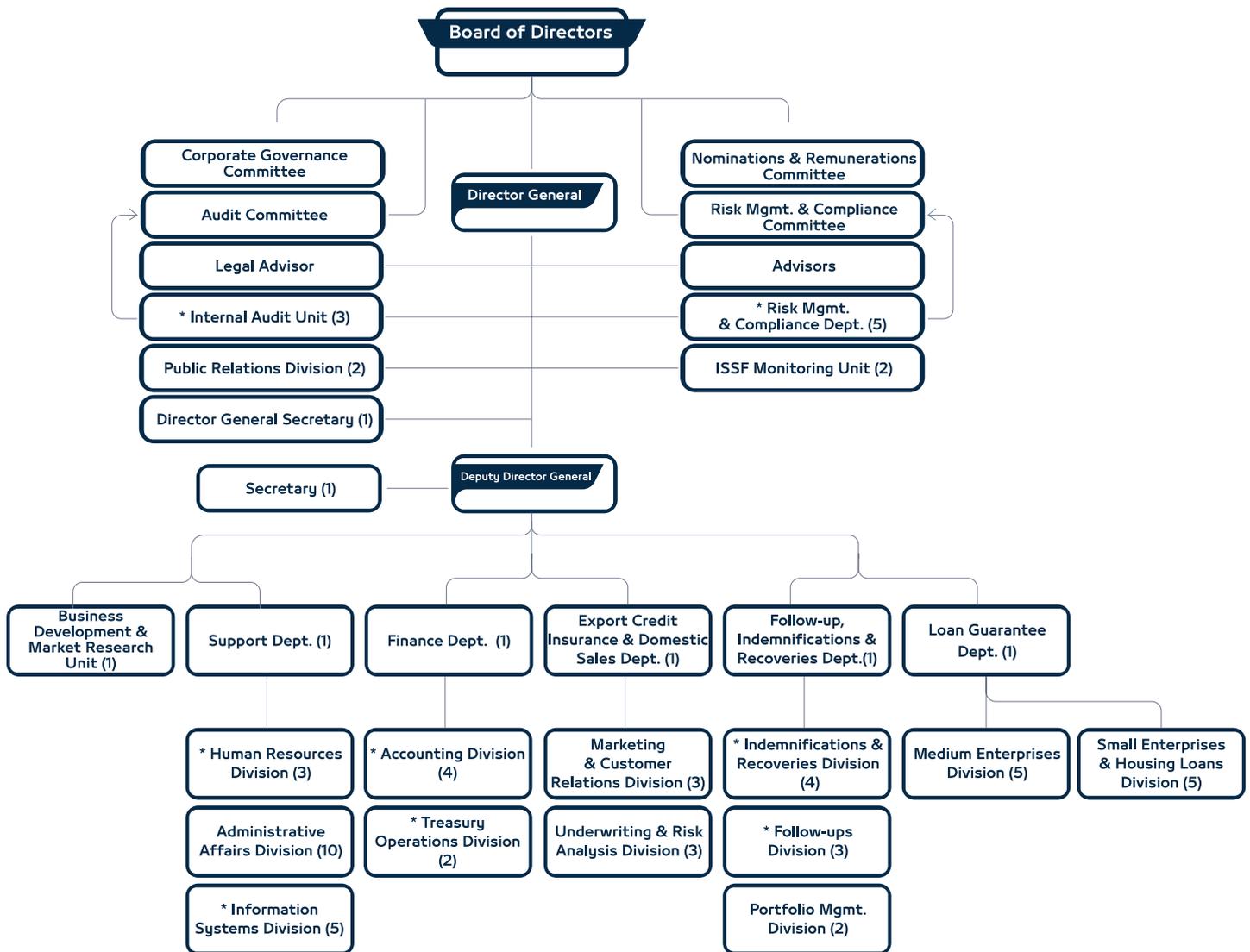
JLGC Services enjoy some privileges granted by the Central Bank of Jordan as the following: -

- 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 2021.

## **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 2021.

## 9- JLGC Organizational Structure at the end of 2021



\* The structure amended according to BOD resolution no. 19-2021 dated 28<sup>th</sup> April 2021.

\* Top Management Vacancies: (Advisors, Deputy Director General, Manager of Loan Guarantee Department).

### • Number of Employees and Qualifications in 2021

The Number of employees in 2021 was 54 in comparison with 53 at the end of 2020, 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
2021	1	8	1	33	4	3	4	54

## • Employees Training in 2021

To improve employee's qualifications, JLGC participated in a number of internal training courses (40) and external training courses (2) distributed as follows:

Course Name	Number of Employees
Preparing budgets	5
Annual report as an XBRL file	4
Preparing and presenting financial statements in accordance with international accounting standards	4
MSME Finance During And After Covid-19	4
financial excel	4
Modern supervisory skills for middle leaders	3
Annual Meetings (Spring Meeting) of Prague Club Members	3
Fifth International Guarantee Programs for the Virtual Middle East and North Africa	3
Presenting the results of the comparative study of the policies and tools for supporting exports and small and medium enterprises In the countries of the European Union	3
Preparing agreements and work contracts	3
Cyber security in banking	3
Forward thinking and strategic transformation of loan guarantee institutions in the Middle East and North Africa	3
SMEs Financing	3
Statement of cash flows according to IAS 7	3
Financial planning and forecasting	2
Enterprise Risk Management And operational Credit Risk Management	2
Environmental and regulatory framework for institutions	2
FinTech Solutions in Gender Lens	2
Financial Analysis (Basic and Advanced)	2
Business Continuity Plan	2
Launching the MF Up - scaling Mission	2
Basic skills for call center employees	2
Advanced financial analysis of financial statements prepared in accordance with International Financial Reporting Standards	2
"From Knowledge Exchange to Open Innovation"	2
Accounting Applications Using Excel	2
National Innovation Festival Activities	2
The role of loan guarantee funds and mechanisms for small and medium enterprises in supporting recovery in the post-Corona pandemic phase in the Arab countries	2
Building a digital identity in the era of Corona	1
Financial analysis using excel	1
Develop the efficiency of collection staff in following up and collecting debts	1
Decisions of the Basel Committee and Risk Management	1
Preparing the financial statements	1
Risk management and financial derivatives	1
The Social Security and Labor Law and the new instructions under defense orders	1
Profile and Recommendations To Foster MSMEs Exports Country	1
Windows Server 2019 Administration	1
Intelligent archiving and effective electronic organization of information and documents	1
Human resource management basics	1
Debt Collection	1
Challenges of implementing IFRS 9 in light of the repercussions of the Corona pandemic	1
Annual Meetings (Spring Meeting) of Prague Club Members	1
Berne Union Annual meeting	1

## 10- JLGC Risk Exposure

The risk management applied upon determining the acceptable risks by JLGC based on its comprehensive strategy to reduce and confront risks without affecting the strategic goals.

Risk Management is an essential part of JLGC work to take preventive and precautionary measures.

The company is exposed to the following risks in terms of productive loan guarantee and export credit guarantee:

- Credit risk of non-payment by the borrower or importer of Jordanian goods for credit or commercial reasons, resulting from the decline in the performance of some economic sectors or external circumstances.
- Operational risks including information security risks and business continuity risks.
- Market and liquidity risks.
- Risks of non-compliance.

## 11- JLGC Accomplishments in 2021

The importance of JLGC's programs appeared clearly through the efforts and policies adopted to contain the negative consequences of the COVID-19 pandemic during the years 2020-2021, whether it is related to loan guarantee programs or the export credit guarantee program. It was hard to implement these initiatives without any support in light of the limited capital of the company. These programs will increase the volume of work in both programs exceptionally; and put the company in many challenges related to managing the program besides the current programs.

The company also designed new programs and reconsidered the structures of existing programs in an integrated manner while working on developing operations management and work procedures in a way that contributes to implementing programs as targeted. The following is an overview of the most important achievements of JLGC during the year 2021 supported by numbers, as well as the most prominent events that the company has experienced during the past year:

1. The National Program for Facing COVID-19 Pandemic has been extended with JOD 700 Million for all economic sectors operating at the kingdom. The Central Bank of Jordan provided funds and loans to the banks without interest to be lend to borrowers with an interest rate/return up to 2% annually, JLGC will guarantee all loans and financings at a guarantee fee equals 0.35%.
2. JLGC Board of Directors approved some corporate developmental initiatives as follows:
  - Raising the guarantee percentage for loans and financing granted to the industrial and services sectors to become 80% instead of 70%.
  - Extending the work at the reduced guarantee fee for the Industrial Finance Guarantee Program, that amounts 0.75% for commercial banks and 0.425% for Islamic banks until the end of 2022, in addition to expanding targeted sectors to include working capital and all operating expenses.
  - Extending the work of the reduced guarantee fee applied to all loans and financing of small startups, that amounts to 0.75% for commercial banks and 0.425% for Islamic banks until the end of 2022.
  - Limitation of dealing in the domestic sales credit guarantee program only with the industrial sector and with exporting companies, due to the high risk, financial feasibility and limited economic value added to the program compared to the export credit guarantee program. In addition to directing the company's limited capital towards the most economically viable programs according to the limits of the risks that can be tolerated.

3. In cooperation with the Central Bank of Jordan, JLGC launched a special program to guarantee the financing of micro-companies, which aims to providing finance through microfinance companies operating at the kingdom, according to easy deadlines and costs, to help these companies continue their business and cover their operational and capital expenses, especially with the economic challenges related to the COVID-19 pandemic. Many guarantee agreements were signed with a number of microfinance companies subject to the supervision of the Central Bank of Jordan.
4. Adoption of the quota-share agreement with the Islamic Corporation for the Insurance of Investment and Export Credit "ICIEC" and the Arab Investment Guarantee Corporation "Dhaman", through this agreement, JLGC reinsures all national exports benefiting from the export credit guarantee program supported by the Central Bank with ICIEC and Dhaman, which provides additional scope for expansion for all insurance operations with the vast outreach the program witnessed during the past two years because of the special advance provided to the company by the Central Bank of Jordan.
5. Within the project to encourage MSMEs for employment implemented by the German Agency for International Cooperation (GIZ), JLGC signed a cooperation agreement to provide JLGC with the technical support to develop the company comprehensive digital transformation strategy and thus increasing the number of small and medium-sized companies benefiting from the company's programs, and improving the efficiency of loan guarantee and export credit guarantee operations.
6. JLGC started to implement the "Digital Transformation Strategy" upon the approval of JLGC Board of Directors. The strategy was set in accordance with international best practices in cooperation with the Business Finance Consultant (BFC) as a specialized entity with the support and funding of GIZ. The strategy includes four streams on implementing governance framework, upgrading the institutional culture and building strategic partnerships, developing existing systems and adding supporting systems and implementing platforms for operations management.
7. JLGC continued the work during the year and accomplished the following achievements:
  - JLGC granted around 1987 loans through SMEs programs with a nominal value about JD 153.6 million. It also granted 13 loans with a nominal value of JD 796 thousand within the housing loan guarantee programs. While the number of outstanding guaranteed loans reached 9596 at the end of the year 2021 with a guaranteed value JD 428 million (including the housing program portfolio).
  - JLGC granted 1,186 loans through the National Program to Face the COVID-19 Pandemic with a nominal value of JD 97.5 million. The number of outstanding guaranteed loans reached 6050 at the end of 2021 with a guaranteed value of JD 323,407 Million.
  - In 2021, the outstanding guaranteed portfolio was distributed to 1813 productive loans with a guaranteed value of about JD 35.8 million and 813 housing loans with a guaranteed value of about JD 13.8 million and 343 loans within industrial finance and services programs with a guaranteed value of about JD 36.4 million and 577 startups loans with a guaranteed value of JD18.4 million.
  - The company continued to expand its work in the export credit guarantee program during the year 2021 achieving a growth of 55% in the value of the guaranteed shipments, while the realized guarantee fees for the program recorded an approximately 52% growth.
  - The number of guaranteed shipments under the Export Credit Guarantee Program increased

to 2421 shipments worth JD 176 million during the year 2021, compared to 1800 shipments worth JD 113 million in 2020.

- The company signed 14 new policies with industrial companies within the export credit guarantee program and 5 policies within the domestic sales credit guarantee program.
  - The company paid compensations to the banks in 2021 for non-performing loans amounting JD 2,098 million compared to JD 3,104 million that was paid in 2020. While the company did not pay compensation under the export credit guarantee program for the year 2021, compared to JD 48 thousand JDs paid during the year 2020.
  - The company recovered about JD 638 million during the year 2021, compared to recoveries amounting about JD 481 thousand during the year 2020, while guaranteed loans worth JD 18 million rescheduled during the year 2021 compared to JD 41 million rescheduled loans during the year 2020.
  - The company achieved a growth in its total revenues reached to 16% in 2021 compared to the year 2020, where the total revenues amounted to JD 5,219 million in 2021 compared to the total revenues of JD 4,487 million achieved during the year 2020. The recorded growth in the total revenues achieved because of the significant growth in the company's operational revenues, which raised from JD 2,366 million in 2020 to JD 3,094 million in 2021, while the company's investment revenues amounted about JD 1,570 million in 2021 compared to JD 1,774 million JDs in 2020.
  - According to the final statements, the company was able to achieve a net profit after tax of JD 1,130 million in 2021, compared to JD 645 thousand recorded in 2020.
  - Total shareholders' equity increased from JD 37,223 thousand at the end of 2020 to JD 38,360 thousand at the end of 2021, while the company's assets as at the end of 2021 amounted JD 798 million compared to JD 781 million at the end of 2020.
8. The company completed electronic linkage with all participating commercial and Islamic banks through Web Access in order to facilitate work procedures, especially with the conditions imposed by the COVID-19 pandemic and the importance of activating the technological aspects of working remotely and automating all the company operations internally and externally.
9. Limited workshops and meetings were organized during 2021 due to the Corona crisis. Many marketing visits and foreign official missions were canceled in compliance with defense orders and travel restrictions issued by the government because of the pandemic, while the company participated in a number of virtual meetings, training programs and conferences through technology Visual communication.
10. JLGC made a leap in the development of human resources. The organizational structure has been redesigned and new jobs have been created in a way that is more appropriate to implement the company's operations at a higher level of efficiency. In light of this, the job structure and the number of positions were reformulated in light of the job burden. Many sensitive leadership positions were re – occupied base on the competencies.
11. Adopting the company's strategic plan for the years (2022-2024) approved by JLGC board of directors. Top management at the company assigned to implement and review it periodically.

## 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 2021, 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
2017	1,018,249	0	34,699,924	0.480
2018	908,627	0	35,560,004	0.460
2019	1,328,207	0	36,580,504	0.450
2020	850,508	0	37,223,147	1.000
2021	1,485,550	0	38,359,751	1.000

## 14- Analysis of JLGC's Financial Status and the Results of its Activities

RATIO	2021	2020	2019	2018	2017
Earnings per Share (JD)	3.886	0.022	0.036	0.024	0.025
Return on Investment	0.142%	0.083%	0.230%	0.286%	0.411%
Return on Shareholder's Equity	2.946%	1.733%	2.852%	1.960%	2.107%
Return on Paid Up Capital	3.886%	2.18%	3.587%	2.397%	2.514%
Ownership Ratio	4.803%	4.769%	8.062%	14.595%	19.529%
Fixed Assets / Shareholder's Equity	7.803%	8.147%	8.458%	8.986%	9.294%
Rate of Indebtedness	1.198%	1.057%	0.865%	1.309%	1.286%
Liabilities to Total Assets	95.197%	95.231%	91.938%	85.405%	80.471%
Liabilities to Shareholder's Equity	1981%	1997%	1140%	585 %	412%
Current Liabilities / Shareholder's Equity	24.938%	22.165%	10.725%	8.969%	6.583%
Revenue / Total Assets	0.654%	0.575%	0.904%	1.478%	1.669%
Circulation Ratio	1358 %	1265 %	2062%	2202%	2431%
Working Capital (JD)	120,332,783	96,126,193	76,953,816	67,032,302	53,267,978

## 15- JLGC Important Future Development Plans

The importance of JLGC's guarantee programs appeared within the efforts to contain the consequences of the COVID-19 pandemic during 2020-2021.

Loan Guarantee Programs and Export Credit Guarantee programs increased the volume of work exceptionally. JLGC faced many challenges to manage the new programs next to the current guarantee programs. JLGC designed new programs and reconsidered the features of the programs by developing operation management and work procedures to reach the target. The change in the programs puts the company in a challenge requires preparation and planning to redesign the strategic and operational goals and reassessment of the work environment.

JLGC set a number of plans to achieve its strategic goals in 2022 as follows:

- Set the company strategic plan for the period 2022-2024 in a manner that defines performance indicators at all programs level and clarifies the main challenges, policies, and procedures for confronting and dealing with them and reviewing it constantly.
- Implementation of development initiatives by the implementation of the strategic plan including productive loan guarantee program covered by provisions funded by the company, the industrial finance guarantee program covered by provision funded by the European Union through the Central Bank, Start-ups Guarantee Program funded by the Central Bank and operating banks at the Kingdom and the loan from the Arab Fund for Economic and Social Development, National Program for Facing COVID-19 pandemic funded by the Central Bank of Jordan, and the existing Housing Loan program funded by the company.
- Expanding the scope of existing programs and introducing new products that fit the market needs and meet the institutional ambition. JLGC will develop a joint program funded by the German Development Bank KfW, which aims to link loan guarantees to jobs created in small and medium enterprises by targeting projects outside the provinces. At the beginning of 2022, JLGC will start working on two new programs:
  - 1- Microfinance Loan Guarantee program, funded by the Central Bank of Jordan with the same provisions specified for the National Program for Facing the COVID-19 pandemic.
  - 2- The Housing Loan guarantee program "Facilitated Housing" funded by the Central Bank targeted for low and limited-income people
- JLGC will transfer gradually to portfolio guarantee model by raising the limit of delegation because of the large work increase and expected increase in the number of loans.
- Implementation of the digital transformation strategy supported and funded by the German Agency for International Cooperation (GIZ). Protecting systems and data from penetration risks, developing the level of data presentation, and preparing periodic reports for the various goals and levels. Achieving full linkage with the company's main partners, financing agencies and exporters, and full archiving of documents.
- Developing human resources management by adopting fair and transparent policy in following up and evaluating performance based on the balanced scorecards (BSCs).
- Investing in human resources development by enhancing capabilities and skills and expanding training opportunities locally and abroad.

- Implementing training paths in parallel to the career paths for all JLGC employees within the succession policy and continuing the replacement process in cases required.
- Developing the work environment and strengthening the relationship between the corporate image of the company and the institutional progress.
- Reviewing the risk management policy according to the best practices and reviewing credit limits, developing credit review policies, credit risk management policy, operational risks, information security risks and market risks.
- Activating the role of risk management in participating and planning for launching new program or agreements or issuing export policies or any updates on work procedures and information systems supporting the procedures, and raising the level of awareness among the company's employees of the risk management and compliance control.
- Reviewing the cyber security system and conducting the necessary tests periodically by preparing a special plan to respond to cyber risks. Moreover, reviewing and developing the Credit Scoring System and testing its effectiveness and accuracy.
- Setting a plan for business continuity and disaster recovery for all the company's activities and operations and checking it periodically.
- Adopting a program to reactivate corporate communication with the expected decline of the Corona pandemic, through the continuous update on JLGC website, and documenting some success stories for enterprises guaranteed by the company.
- According to the company's estimate budget for the year 2022, the company is expected to achieve an increase in operating revenues by 4.4%, and an increase in the company's investment revenues by 1.8%, while the estimate budget indicates an expected increase in administrative and general expenses by 22.8% to keep pace with the growth in business volume.

## **16- Auditing Fees**

The total amount of auditing fees paid to the “Arab Professionals” in 2021 was JD 14,500 compared to JD 12,180 in 2020 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 members 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 as follows:-

Board Members	2021		2020	
	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 PLC	1,973,936	6.79%	1,966,281	6.76%
Cairo Amman Bank	1,934,874	6.65%	1,904,314	6.55%
The Housing Bank for Trade & Finance	1,657,100	5.70%	1,657,100	5.70%
Bank al Etihad	1,324,873	4.56%	1,313,784	4.52%
Jordan Kuwait Bank	865,258	2.98%	865,258	2.98%
Amman Chamber of Commerce/ Independent member	200,000	0.69%	200,000	0.69%
H.E.Mr. Ismail Sa'eed Zain Zaghloul / 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%
<b>Total</b>	<b>21,093,291</b>	<b>72.53%</b>	<b>21,043,987</b>	<b>72.38%</b>

Board Members Representatives	2021		2020	
	Number of Shares	% of Share	Number of Shares	% of Share
H.E.Dr. Maher "Sheikh Hasan" Representative of Central Bank of Jordan	0	-	0	-
Mr. Kamal Gharib Al Bakri Representative of Amman Cairo Bank	0	-	0	-
Dr. Khaldoun Abdullah Al Wshah Representative of Central Bank of Jordan	0	-	0	-
Mr. Walid Muhi Eddin Al Samhouri Representative of Arab Bank	0	-	0	-
H.E.Mrs. Nadia Hilmi Hafez Al Saeed Representative of Al Etihad Bank	0	-	0	-
Mr. Tawfiq Abdul Qader Mohammed Al Mukahl Representative of Jordan Kuwait Bank	0	-	0	-
Ms. Rana Raymond Jamil Sawalha Representative of Housing Bank	0	-	0	-
Mr. Khatab "Mohammed Khaled" Ibrahim Banna Representative of Amman Chamber of Commerce	0	-	0	-
	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>

## 18- The benefits and remunerations of the Chairman, members of the Board of Directors, and Senior Executive Management in 2021

Total amounts paid as transportation, travel allowance, committee allowance and annual bonus to the Chairman and Members of the Board of Directors was JD 123,400 in 2021 compared to JD 123,200 in 2020.

BOD Member	Title	Bonus	Transportation Allowance	Travel	Committee Allowance	Total
H.E.Dr. Maher "Sheikh Hasan"	Chairman	5,000	6,000	0	0	11,000
Mr. Kamal Gharib Al Bakri	Vice Chairman	5,000	6,000	0	0	11,000
Dr. Khaldoun Abdullah Al Wshah	Member	5,000	6,000	0	800	11,800
Mr. Walid Muhi Eddin Al Samhouri	Member	5,000	6,000	0	0	11,000
The Housing Bank for Trade & Finance	Member	5,000	6,000	0	0	11,000
H.E.Mrs. Nadia Hilmi Hafez Al Saeed	Member	5,000	6,000	0	0	11,000
Mr. Tawfiq Abdul Qader Al Mukahl	Member	5,000	6,000	0	0	11,000
H.E.Dr. Ismail Sa'eed Zain Zaghoul	Member	5,000	6,000	0	800	11,800
H.E.Dr. Ibrahim Hasan Mustafa Saif	Member	5,000	6,000	0	0	11,000
Dr. Adnan Hasan Issa Al Hindi	Member	5,000	6,000	0	0	11,000
Amman Chamber of Commerce	Member	5,000	6,000	0	800	11,800
<b>TOTAL</b>		<b>55,000</b>	<b>66,000</b>	<b>0</b>	<b>2,400</b>	<b>123,400</b>

The salaries and privileges paid for the executive management in 2021 amounted to JD 644,613 in comparison with JD 564,862 during 2020.

Name	Title	Annual Salaries	*Bonus	Travel Alw.	Cmte. Alw.	BOD Sec. Alw.	Total
Dr. Mohammed Al Ja'fari	**Director General	173,458	46,200	8,705	0	0	228,363
Mr. Abdel Salam Al-Nusair	Deputy Director General	38,119	100	0	0	0	38,219
Mrs. Amal Jaradat	Export Credit Guarantee and Domestic Sales Dept. Manager	40,589	5,582	0	0	0	46,171
Mr. Issa Al Tarayra	Finance Dept. Manager	31,373	4,360	0	0	3,000	38,733
Mr. Rami Samardali	Follow ups, Indemnifications, Dept. Manager	28,628	3,996	0	0	0	32,624
Mr. Ahmad Beirqdar	Risk Management and Compliance Control Dept. Manager since 26/9/2021	9,094	0	0	0	0	9,094
Mr. Feras Fayyad	Loan Guarantee Advisor until 30/9/2021 Loan Guarantee Dept. Manager until 28/8/2021	54,056	200	0	0	0	54,256
Mr. Tarek Al-Nabulsi	Indemnification & Follow up Dept. Manager until 23/9/2021	40,958	200	0	0	0	41,158
Mr. Jehad Al-Qdaimat	Support Dept. Manager until 30/6/2021	35,055	100	0	0	0	35,155
Mr. "Mohd Noor" Aljabe	Support Dept. Manager since 19/9/2021	10,833	0	0	0	0	10,833
Mr. Saif Al Farah	Internal Audit Unit Manager	26,290	3,686	0	0	0	29,976
Mrs. Maysoon Al Amarnah	Business Development and Market Research Unit manager since 10/1/2021	34,241	2,528	0	0	0	36,769
Mrs. Hanaa Alshihabi	***ISSF Monitoring Unit Manager	40,271	2,991	0	0	0	43,262
<b>Total</b>		<b>562,965</b>	<b>69,943</b>	<b>8,705</b>	<b>0</b>	<b>3,000</b>	<b>644,613</b>

\*Annual Bonus for the year 2021.

\*\*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 2021.

## **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**

- **Contribution to Environmental Protection**

No contribution to environmental protection directly.

- **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 and Financial Performance**

## OPERATIONAL AND FINANCIAL PERFORMANCE

### Loan Guarantee Programs

#### 1. Loan Guarantees Ceilings and Utilized 2021 - 2020

Ceilings	2021			2020			Change	
	Ceiling	Utilized	% Utilized	Ceiling	Utilized	% Utilized	Ceiling	Utilized
Productive Loans (Small Enterprises)	43,955,134	35,808,683	81%	44,510,134	37,204,954	84%	- 555,000	- 1,396,270.68
Housing Loans	20,999,395	13,850,763	66%	24,565,505	15,504,396	63%	- 3,591,109	- 1,653,633
Startups Program	12,600,000	9,650,542	77%	10,000,000	11,800,588	118%	2,600,000	- 2,150,046
Renewable Energy program	600,000	430,695	72%	600,000	459,610	77%	0	- 28,915
<b>Total</b>	<b>78,154,529</b>	<b>59,740,683</b>	<b>76%</b>	<b>79,675,639</b>	<b>64,969,548</b>	<b>82%</b>	<b>- 1,546,109</b>	<b>- 5,228,865</b>

#### 2. Guaranteed Executed Loans according to Loan Type 2021-2020

Program	2021		2020		Change (JD)		Change (%)	
	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value
<b>Small Enterprises Loans</b>								
SMEs Loans	417	12,886,849	131	3,149,644	286	9,737,205	218%	309%
Entrepreneurship loans	0	0	177	6,266,891	- 177	- 6,266,891	- 100%	- 100%
Business Loans	0	0	2	38,500	- 2	- 38,500	- 100%	- 100%
Micro Loans	0	0	2	9,765	- 2	- 9,765	- 100%	- 100%
<b>Total</b>	<b>417</b>	<b>12,886,849</b>	<b>312</b>	<b>9,464,800</b>	<b>105</b>	<b>3,422,049</b>	<b>34%</b>	<b>36%</b>
<b>Industrial Finance Loans</b>								
Kafalah	69	5,945,240	55	7,435,260	14	- 1,490,020	25%	-20%
Industrial Finance	29	8,031,331	23	5,766,492	6	2,264,839	26%	39%
Startups	283	10,378,778	138	4,768,888	145	5,609,890	105%	118%
Leasing	0	0	0	0	0	0	0%	0%
Renewable Energy	3	136,199	2	229,776	1	- 93,577	50%	- 41%
Business Vehicles	0	0	0	0	0	0	0%	0%
<b>Total</b>	<b>384</b>	<b>24,491,548</b>	<b>218</b>	<b>18,200,416</b>	<b>166</b>	<b>6,291,132</b>	<b>76%</b>	<b>35%</b>
<b>National Program to encounter Covid-19</b>								
Corona – Commercial	1,097	75,078,141	3,738	266,287,951	- 2,641	- 191,209,810	- 71%	- 72%
Corona – Islamic	89	7,824,850,95	1,379	87,416,197	- 1,290	- 79,591,346	- 94%	- 91%
<b>Total</b>	<b>1,186</b>	<b>82,902,992</b>	<b>5,117</b>	<b>353,704,148</b>	<b>- 3,931</b>	<b>- 261,430,438</b>	<b>- 77%</b>	<b>- 77%</b>
<b>Total Productive Loans</b>	<b>1,987</b>	<b>120,281,389</b>	<b>5,647</b>	<b>381,369,364</b>	<b>- 3,660</b>	<b>- 261,087,975</b>	<b>- 65%</b>	<b>- 68%</b>
<b>Housing loans</b>								
<b>Total Housing Loans</b>	<b>13</b>	<b>530,475</b>	<b>19</b>	<b>773,024</b>	<b>- 6</b>	<b>- 242,549</b>	<b>- 32%</b>	<b>- 31%</b>
<b>All Programs</b>	<b>2,000</b>	<b>120,811,864</b>	<b>5,666</b>	<b>382,142,388</b>	<b>- 3,666</b>	<b>- 261,330,524</b>	<b>- 65%</b>	<b>- 68%</b>

### 3. Outstanding Guaranteed Portfoli according to Loan Type 2021 - 2020

Programs	2021		2020		Change (JD)		Change (%)	
	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value
<b>Small Enterprises Loans</b>								
SMEs Loans	1,069	18,971,568	1,202	20,179,209	- 133	- 1,207,641	- 11%	- 6%
Kafalah	642	15,508,604	730	15,196,131	- 88	312,473	- 12%	2%
Entrepreneurship	43	977,377	46	1,062,063	- 3	- 84,686	- 7%	- 8%
Business Loan	47	335,947	90	716,739	- 43	- 380,792	- 84%	- 53%
Micro Loans	9	13,420	21	36,310	- 12	- 22,890	- 75%	- 63%
Pharmacies Loans	3	1,768	5	14,502	- 2	- 12,734	- 40%	- 88%
<b>Total</b>	<b>1,813</b>	<b>35,808,683</b>	<b>2,094</b>	<b>37,204,954</b>	<b>- 281</b>	<b>- 1,396,271</b>	<b>- 13%</b>	<b>- 4%</b>
<b>Industrial Finance Loans</b>								
Kafalah	205	17,725,329	180	16,531,480	25	1,193,849	14%	7%
Industrial Finance	120	17,438,217	112	14,066,499	8	3,371,718	7%	24%
Startups	577	18,499,858	345	11,800,588	232	6,699,270	67%	57%
Leasing	9	806,943	10	1,002,172	- 1	- 195,228	- 10%	- 19%
Renewable Energy Program	9	430,695	6	459,610	3	- 28,915	50%	- 6%
Business Vehicles	0	-	2	14,334	- 2	- 14,334	- 100%	- 100%
<b>Total</b>	<b>920</b>	<b>54,901,045</b>	<b>655</b>	<b>43,874,683</b>	<b>265</b>	<b>11,026,362</b>	<b>40%</b>	<b>25%</b>
<b>National Program to encounter Covid-19</b>								
Corona – Commercial	4,630	261,798,049	3,695	245,068,331	935	16,729,718	25%	- 7%
Corona – Islamic	1,420	61,608,987	1,375	82,517,684	45	- 20,908,696	3%	25%
<b>Total</b>	<b>6,050</b>	<b>323,407,037</b>	<b>5,070</b>	<b>327,586,015</b>	<b>980</b>	<b>- 4,178,978</b>	<b>19%</b>	<b>1%</b>
<b>Total Productive Loans</b>	<b>8,783</b>	<b>414,116,765</b>	<b>7,819</b>	<b>408,665,652</b>	<b>964</b>	<b>5,451,113</b>	<b>12%</b>	<b>1%</b>
<b>Housing Loans</b>								
Housing Loans	807	13,799,180	928	15,428,734	- 121	- 1,629,554	- 13%	- 11%
Land Purchase Loans	5	43,313	7	56,772	- 2	- 13,459	- 29%	- 24%
Urban Development Loans	1	8,269	3	18,890	- 2	- 10,620	- 67%	- 56%
<b>Total Housing Loans</b>	<b>813</b>	<b>13,850,763</b>	<b>938</b>	<b>15,504,396</b>	<b>- 125</b>	<b>- 1,653,633</b>	<b>- 13%</b>	<b>- 11%</b>
<b>All Programs</b>	<b>9,596</b>	<b>427,967,528</b>	<b>8,757</b>	<b>424,170,049</b>	<b>839</b>	<b>3,797,479</b>	<b>10%</b>	<b>1%</b>

### 4. Outstanding Guaranteed Portfolio distribution according to Major Cities in 2021

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	1,149	25,508,965	641	11,750,164	510	34,824,270	4,471	268,085,534	6,771	340,168,933
Balqa	55	938,048	19	190,985	17	1,193,848	148	6,606,880	239	8,929,761
Irbid	217	3,252,344	39	578,780	123	5,170,740	531	17,269,713	910	26,271,577
Kerak	95	1,250,083	13	99,577	42	1,466,172	83	2,622,403	233	5,438,235
Ma'an	27	537,042	4	70,893	28	2,967,279	104	1,486,339	163	5,061,553
Tafileh	33	447,417	6	30,600	27	1,315,024	24	318,047	90	2,111,088
Zarqa	132	1,999,168	31	392,830	65	3,413,739	343	13,901,446	571	19,707,183
Mafraq	18	254,429	7	123,889	35	1,436,719	48	2,679,830	108	4,494,867
Madaba	20	306,874	12	156,701	14	570,619	67	2,798,411	113	3,832,605
Jerash	11	234,922	9	58,004	15	1,043,624	66	635,333	101	1,971,883
Ajloun	7	54,998	2	46,055	11	226,083	14	185,517	34	512,653
Aqaba	49	1,024,393	30	352,285	33	1,272,929	151	6,817,583	263	9,467,190
<b>Total</b>	<b>1,813</b>	<b>35,808,683</b>	<b>813</b>	<b>13,850,763</b>	<b>920</b>	<b>54,901,046</b>	<b>6,050</b>	<b>323,407,037</b>	<b>9,596</b>	<b>427,967,528</b>

## Export Credit Guarantee Programs

### 1. Guaranteed Contracts Signed 2021 - 2020

Program	Number		Value (JD)	
	2021	2020	2021	2020
Export Credit Guarantee	37	29	227,798,825	155,440,364
Domestic Sales Credit Guarantee	7	6	1,692,849	2,068,648
<b>TOTAL</b>	<b>44</b>	<b>35</b>	<b>229,491,674</b>	<b>157,509,012</b>

### 2. Guaranteed Shipments in 2021 - 2020

Program	Number		Value (JD)		Guaranteed Value (JD)	
	2021	2020	2021	2020	2021	2020
Export Credit Guarantee	2,421	1,800	191,779,877	142,457,924	176,984,408	113,649,058
Domestic Sales Credit Guarantee	4,189	2,801	2,621,327	1,775,156	2,165,034	1,765,636
<b>TOTAL</b>	<b>6,610</b>	<b>4,601</b>	<b>194,401,204</b>	<b>144,233,080</b>	<b>179,149,442</b>	<b>115,414,694</b>

Sector	2021	2020
Fertilizers	71%	60%
Food	16%	23%
Chemicals	6%	4%
Textile & Clothing	0.4%	4%
Pharmaceuticals	5%	7%
Other	1.6%	2%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

Area	2021	2020
Middle East & Gulf	30%	43%
Africa	26%	21%
Far East	21%	15%
USA & Canada	3%	6%
Europe	16%	14%
Other	4%	1%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

### 3. Outstanding Guaranteed Shipments Portfolio 2021 - 2020

Program	Number of Shipments		Guaranteed Value (JD)	
	2021	2020	2021	2020
Export Credit Guarantee	702	567	55,969,839	35,350,755
Domestic Sales Credit Guarantee	3,550	1,860	1,317,202	1,244,122
<b>TOTAL</b>	<b>4,252</b>	<b>2,427</b>	<b>57,287,041</b>	<b>36,594,877</b>

## Details of Claims, Claims Paid, Recoveries, Re-Scheduled Loans in 2021

- **By Program**

Loan Type	Claims	Claims Paid	Recoveries	Re-scheduling
SMEs	1,951,474	1,407,961	211,837	3,556,201
Financial Leasing	0	0	55,589	37,821
Housing	138,762	128,909	266,679	1,206,374
Industrial Finance	294,568	233,929	79,015	2,982,314
Startups	182,107	154,301	25,042	3,810,125
Kafalah (Islamic Finance)	29,839	31,022	0	4,593,594
Corona (Commercial)	228,466	142,110	0	1,514,850
Corona (Islamic)	0	0	0	297,748
Export Credit Guarantee Program	14,757	0	0	0
<b>TOTAL</b>	<b>2,839,973</b>	<b>2,098,231</b>	<b>638,162</b>	<b>17,999,026</b>

- **By Major Cities**

City	Claims	Claims Paid	Recoveries	Re-scheduling
Amman	1,992,624	1,532,664	573,545	12,365,466
Balqa	231,079	184,773	9,730	128,761
Irbid	223,565	159,991	25,676	1,608,726
Kerak	32,999	22,257	7,971	155,527
Ma'an	35,427	15,811	0	1,413,015
Tafileh	30,742	16,179	9,863	61,125
Zarqa	209,696	126,661	4,313	837,673
Mafraq	0	0	774	164,313
Madaba	64,436	37,521	3,582	90,425
Jeresh	0	0	0	422,178
Ajloun	0	0	1,788	85,927
Aqaba	4,648	2,376	919	665,891
<b>*TOTAL</b>	<b>2,825,217</b>	<b>2,098,231</b>	<b>638,162</b>	<b>17,999,026</b>

\* Export Credit Guarantee Program is not included

## Delayed Payments Analysis 2021

Category	Delay Days	Payments Overdue (JD)	Guaranteed Balance (JD)	Payments Overdue/ Balance of Outstanding Loans	Guaranteed Balance /Outstanding Guaranteed Portfolio
<b>Productive Loans / SMEs Delays</b>					
Early Warning	60-90 Days	338,825	872,050	61.37%	2.44%
Below Average	91-180 Days	247,008	902,453	0.45%	2.52%
Doubtful	181-359 Days	337,755	645,911	0.61%	1.80%
Bad	Over 360 Days	2,858,171	2,500,825	5.18%	6.98%
Balance of Outstanding Loans		55,206,797			
Outstanding Guaranteed Portfolio		35,808,683			
Guaranteed Balance of Default loans		412,782			
<b>Industrial Finance Loans Delays</b>					
Early Warning	60-90 Days	55,655	701,983	0.10%	1.93%
Below Average	91-180 Days	0	0	0.00%	0.00%
Doubtful	181-359 Days	292,373	484,089	0.51%	1.33%
Bad	Over 360 Days	1,051,934	390,986	1.85%	1.07%
Balance of Outstanding Loans		56,896,242			
Outstanding Guaranteed Portfolio		36,401,186			
Guaranteed Balance of Default loans		70,937			
<b>Startups Loans Delays</b>					
Early Warning	60-90 Days	40,103	453,351	0.18%	2.45%
Below Average	91-180 Days	108,784	412,362	0.49%	2.23%
Doubtful	181-359 Days	129,308	279,419	0.58%	1.51%
Bad	Over 360 Days	152,091	143,505	0.68%	0.78%
Balance of Outstanding Loans		22,272,146			
Outstanding Guaranteed Portfolio		18,499,859			
Guaranteed Balance of Default loans		4,550			
<b>Housing Loans Delays</b>					
Early Warning	60-90 Days	17,636	406,944	0.09%	2.94%
Below Average	91-180 Days	50,803	644,786	0.26%	4.66%
Doubtful	181-359 Days	70,244	79,172	0.36%	0.57%
Bad	Over 360 Days	331,493	261,758	1.68%	1.89%
Balance of Outstanding Loans		19,769,008			
Outstanding Guaranteed Portfolio		13,850,763			
Guaranteed Balance of Default loans		0			
<b>National Program to encounter Covid-19 Delays</b>					
Early Warning	60-90 Days	219,055	1,862,966	0.06%	0.58%
Below Average	91-180 Days	560,891	1,996,571	0.15%	0.62%
Doubtful	181-359 Days	230,872	841,646	0.06%	0.26%
Bad	Over 360 Days	35,825	38,642	0.01%	0.01%
Balance of all Outstanding Loans		376,649,597			
Outstanding Guaranteed Portfolio		323,407,037			
Guaranteed Balance of Default loans		134,603			
<b>All Guaranteed Loans Delays</b>					
Early Warning	60-90 Days	671,274	4,297,294	0.13%	1.00%
Below Average	91-180 Days	967,485	3,956,172	0.18%	0.92%
Doubtful	181-359 Days	1,060,552	2,330,238	0.20%	0.54%
Bad	Over 360 Days	4,429,514	3,335,718	0.83%	0.78%
Balance of all Outstanding Loans		530,793,790			
Outstanding Guaranteed Portfolio		427,967,528			
Guaranteed Balance of Default loans		622,871			

## FINANCIAL PERFORMANE 2021

### Operational Revenues 2021 - 2020

Operational Revenues	JD		
	2021	2020	Change
Productive Loans / SMEs fees	848,730	840,748	7,982
Industrial Finance and financial leasing fees	375,913	375,245	668
Startups Loans fees	177,866	158,889	18,977
Housing Loan Guarantee fees	165,989	183,788	(17,799)
National Loan Guarantee Program –Corona fees	1,128,358	543,832	584,526
Export Credit Guarantee and domestic sales fees	397,778	263,947	133,831
<b>Total Operational Revenues</b>	<b>3,094,634</b>	<b>2,366,449</b>	<b>728,185</b>

### Investment Revenues 2021 - 2020

Investment Revenues	JD		
	2021	2020	Change
Interest rate on bank deposits	1,370,457	1,459,292	(88,835)
Dividends income	0	105,000	(105,000)
Bonds interest income	199,829	209,911	(10,082)
<b>Total Investment Revenues</b>	<b>1,570,286</b>	<b>1,774,203</b>	<b>(203,917)</b>

### Total Realized Revenues in 2021 - 2020

Revenues	JD		
	2021	2020	Change
Operational Revenues	3,094,634	2,366,449	728,185
Investment Revenues	1,570,286	1,774,203	(203,917)
Other Revenues	554,156	346,590	207,566
<b>Total Realized Revenues</b>	<b>5,219,076</b>	<b>4,487,242</b>	<b>731,834</b>

## General & Administrative Expenses 2021 - 2020

Expenses	(JD)		
	2021	2020	Change
Salaries and wages	1,174,848	1,055,532	119,316
JLGC's contribution in saving fund	91,255	86,464	4,791
JLGC's contribution in social security	113,599	110,130	3,469
Official duties abroad	8,705	1,200	7,505
Training courses	9,060	10,337	(1,277)
Rent	0	0	0
Water & Electricity	25,727	26,640	(913)
Post & Telephone	5,878	6,296	(418)
Depreciation	72,870	75,023	(2,153)
Marketing expenses	16,205	5,775	10,430
Professional fees	26,674	23,528	3,146
Maintenance	41,980	38,073	3,907
Vehicle expenses	5,986	5,510	476
Subscriptions & Fees	74,587	75,457	(870)
Stationary and printings	13,842	10,960	2,882
Hosting	4,080	3,040	1,040
Board of Directors' Transportation	71,400	71,200	200
Building Security	8,034	2,385	5,649
Other expenses	14,182	16,755	(2,573)
<b>Total</b>	<b>1,778,912</b>	<b>1,624,305</b>	<b>154,607</b>



# **JLGC Activities and Agreements Signed in 2021**

## 1. National exports guarantee agreement with ICIEC & Dhaman

JLGC signed a joint guarantee agreement that covers all national exports with The Arab Investment and Export Credit Guarantee Corporation (Dhaman) and The Islamic Corporation for the Insurance of Investment and Export Credit; a member of the Islamic Development Bank Group (ICIEC).

Under this agreement, the company will guarantee all national exports with ICIEC and Dhaman benefiting from the export credit guarantee program supported by the Central Bank of Jordan, which provides additional scope for expanding guarantee operations due to the advance provided to JLGC by the Central Bank.

The program provides a guarantee rate of 90% for outside buyers fail to pay, which allows national exporters to expand operations and enter new export markets flexibly and easily.

This step came due to the high financial solvency of ICIEC and Dhaman and the extensive experience the tow corporations have in managing risks of the external trade nationally and internationally. This allows JLGC to expand guarantee operations and help Jordanian exporters through the economic challenges imposed by COVID-19, noting Jordan is a founding member of both ICIEC and Dhaman.

The agreement was signed by JLGCs Director General; Dr. Mohammed Al-Ja'fari, and by H.E.Mr. Abdullah Al-Sabeeh; Dhaman General Manager, and ICIEC CEO; Mr. Osama Al-Qaisi.

## 2. MSMEs project agreement with the German Agency for International Cooperation

In the presence of JLGC Chairman; Dr. Maher "Sheikh Hassan", JLGC signed a cooperation agreement within the project to encourage MSMEs for employment implemented by GIZ, an agreement aimed to improving loan guarantee operations by implementing a digitization transformation strategy, which allows JLGC to increase the number of small and medium-sized companies benefiting from JLGC's programs.



This partnership aims to enhance strategic cooperation between the two institutions by providing technical support by GIZ to JLGC and transferring best practices and international experiences loan guarantee and export credit guarantee to obtain finance on easy terms and expanding the company's role in developing national exports through the export credit guarantee program supported by the Central Bank, by improving the electronic connection system with its partners from different banks and financial institutions, as well as Jordanian exporters and traders in order to keep pace with the market changes locally and globally, especially in light of the COVID-19 pandemic.

### 3. Introductory workshop in cooperation with the Jordanian Businessmen Association

In cooperation with Jordanian Businessmen Association (JBA), JLGC organized a virtual workshop on April 27th, 2021 for the members of the association to introduce its guarantee programs. The workshop discussed the mechanism of the Export Credit Guarantee Program, which is one of the most important programs launched by the company in cooperation with the Central Bank of Jordan. The company has made a leap in supporting the private sector through various SMEs programs launched to face the COVID-19 pandemic.

### 4. Export Credit Guarantee agreement with Petra for Concentrate Juice Industries

Petra for Concentrate Juice Industries and JLGC signed an export credit guarantee agreement that covers 90% of Petra industries with a sales volume reaches approximately USD 10 million.

This agreement comes to enhance the company's role in supporting Jordanian exporters through the Export Credit Guarantee Program, which helps national companies to expand the volume of their existing exports and enter new markets.

The program provides insurance for potential risks for importers outside the kingdom to avoid such risks.



### 5. Jordanian Industrialists Meeting

H.E. Dr. Maher Sheikh Hassan; Deputy Governor of the Central Bank of Jordan and Chairman of the Board of JLGC, met a group of industrialists to expand export credit guarantee operations. Mr. Khattab Al-Banna; representative of Amman Chamber of Commerce at JLGC BOD and H.E. Dr. Mohammed Al-Ja'fari; Director General attended the meeting.

The exporters gathered more information about the finance programs provided by the Central Bank of Jordan for the economic sectors at the kingdom and more awareness on the role of JLGC guarantee programs for SMEs and Export and the programs advantages by inviting all industrialists and companies to benefit from the programs in light of their low cost and availability on easy terms provided by JLGC.



## 6. Microfinance Guarantee Workshop at the Association of Banks in Jordan

Upon the launch of the Microfinance Loan Guarantee program in cooperation with the Central Bank of Jordan, JLGC organized a special introductory workshop for micro finance companies in cooperation with ABJ at the association's headquarters on July 11th 2021, attended by representatives of CBJ and the microfinance sector.



The workshop spots the light on the targeted companies and businesses duly registered at the concerned official authorities, in which the number of employees does not exceed (5) people, and it includes all professionals and craftsmen working for their own account.

Financing is provided to the companies directly from CBJ to grant borrowers the finance they apply for at microfinance companies. The guarantee percentage for this program is 85%.



# **JLGC Corporate Governance Report 2021**

## JLGC Corporate Governance Report 2021

In accordance with Corporate Governance Guidelines of Amman Stock Exchange issued by the Jordan Securities Commission for the year 2017, effective as of 22/5/2017, We hereunder attach JLGC 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 (JLGC) has been working on implementing the corporate guidelines issued by the Jordan Securities Commission since its adoption in 2017, where the Board of Directors reviewed these instructions and decided to change the structure of the Board to include independent members 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.**

- The 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 the Board of Directors Members / Representatives and determining whether the member is executive or non-executive, independent or not:**

- **Chairman of the Board; H.E. Dr. Maher “Sheikh Hasan”**
- **Non-Executive and non-independent Member**
- **Representative 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.

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

- Year of Birth: 1969.
- Master’s Degree in Management of International Banking and Finance from Salford Manchester / UK 2017.
- Bachelor’s Degree in law from the University of Jordan 1991.
- Holds the title of Professor in Law.
- General Manager of Cairo Amman Bank since 2008.
- Former Deputy General Manager at Cairo Amman Bank.
- Former Director of the Legal Department and Legal Adviser to Cairo Amman Bank.
- Vice Chairman of the Board of Directors of the Jordan Loan Guarantee Company.
- Chairman of the Board of Directors of the Jordan Express Tourist Transportation Company (JETT).
- Board member of the Jordan Insurance Company.
- Board member of National Real Estate Portfolio Securities.
- Chairman of the Directors of Tamallak Leasing company.
- Member of the Board of Directors of Al-Safa Bank (Islamic Bank) – Palestine.
- Member of the Board of Trustees of the University of Jordan.
- Vice Chairman at Network International / Jordan.
- Former board member in many public and private joint stock companies working in various sectors such as tourism, education, industry and real estate development.
- Former member of the Board of Trustees of the University of Science and Technology. Association of Banks Operating in Jordan, Institute of Banking Studies, Jordan Economic Dialogue Committee, Board of Directors of the Scientific Research and Innovation Fund.

- **H.E. Mrs. Nadia Al Saeed**
- **Non-executive and non-independent Member**
- **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.

- **Mr. Walid Al Samhuri**
- **Non-executive and non-independent Member**
- **Representative of Arab Bank**

- Year of birth: 1962.
- Masters in economics University of Jordan, Amman 1994.
- Bachelor degree in Economics, Statistics and Public Administration - University of Jordan, Amman 1985.
- Senior Vice President - Credit Department, Gulf, Egypt & Subsidiaries.
- Credit Manager - Gulf, International Branches & Subsidiaries.
- Corporate Credit Manager North Africa and Lebanon.
- Director of Credit Execution and Control Department / Arab Bank (Global).
- Director of the Support and Research Department / Corporate and Financial Institutions sector.
- Credit Officer for Lending to Countries, Governments, Companies, Governmental and Semi-Governmental Institutions.

- Multiple responsibilities in the field of credit, banking and commercial services, branches of Jordan and offshore banking unit - Bahrain.
- Chairman - Arab Sudanese Bank- Sudan.
- Board Member - Arab Tunisian Bank, Oman Arab Bank.

- **Dr. Khaldoun AlWshah**
- **Non-executive and non-independent Member**
- **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 finance issues.
- Member of many committees inside and outside the Central Bank.

- **Mr. Tawfiq Al Mukahall**
- **Non-executive and non-independent Member**
- **Representative of Jordan Kuwait Bank**

- Year of Birth: 1951.
- Bachelor degree in Economics and Commerce / University of Jordan 1969 - 1970.
- Chairman of the Board of Directors of the Arab Insurance Company from 4/2021 until 1/12/2021.
- Deputy General Manager of Jordan Kuwait Bank since 1991 until 4/5/2021.
- Executive Manager / Credit and Marketing / National Bank of Kuwait 1971 - 1990.
- Vice Chairman for the Jordan Mortgage Refinance Company.
- Member of the Board of Directors of Al-Sharq Al-Arabi Insurance Company.
- Former Board Member at the Jordan Steel Company.
- Former Board Member at National Electric Power Company.
- Former Board Member - Al-Thiqa Company for Financial Investments.
- Participated in advanced courses regarding international and commercial finance and advanced credit with Citi Bank in Greece 1980 - 1981.

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

- Year of Birth: 1971.
- Holds the (CPA) American Certified Public Accountant Certificate from Lions Accounting Board 1998.
- Bachelor degree in Accounting - Business Administration - University of Jordan 1993.
- 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.
- Financial Controller at Arab Banking Corporation from 10/2012 - 10/2015.
- Assistant Finance Manager at Arab Banking Corporation from 11/2001 - 09/2012.
- Internal Audit manager 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 Member**

- Year of Birth: 1965.
- Ph.D. in Economics. University of London 2001.
- Master's in Economics University of London 1988.
- Bachelor degree in Economics and Accounting. Yarmouk University 1986.
- Vice Chairman for Manaseer Group.
- Professor of Economics and Director of the Center for Strategic Studies at the University of Jordan 2002 - 2008.
- Researcher at the Carnegie Middle East Center 2009 - 2013.
- Secretary General of the Economic and Social Council in Jordan 2009 - 2012.
- Minister of Planning and International Cooperation 2013 - 2015.
- Minister of Energy and Mineral Resources 2015 - 2017.
- Member for the Board of Directors of Safwa Bank.
- CEO of Jordan Strategy Forum 2018 - 2021.

- **Dr. Adnan El-Hindi**
- **Non-executive and Independent 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.
- Board Member / Arab Institute for Banking and Financial Studies Beirut - Lebanon 1989 - 2000.
- Board Member / Association of Banks in Jordan 1979 - 1984.

- **H.E.Dr. Ismail Zaghloul**
- **Non-executive and Independent Member**

- Year of Birth: 1947.
- PhD in Finance from Amman Arab University in 2003.
- Master's 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. Khatab Al Banna**
- **Non-executive and Independent Member**
- **Representative of Amman Chamber of Commerce**

- Year of Birth: 1968.
- Bachelor degree in Accounting.
- Board Member / Treasurer of Amman Chamber of Commerce Board of Directors.
- Board Member / Jordan Chamber of Commerce Board of Directors.
- Partner and General Manager / Salam Company for Media.
- Partner and General Manager / Khattab Mohammed Khaled Ibrahim AlBanna & Partner Company.
- Partner and General Manager of Ahl Al-Azm Company.
- Partner in Emtinan Investment Company.

- **Mr. Issa Al Tarayra**
- **Secretary of JLGCC 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, until the date of his resignation on 30/06/2021, **Mrs. Amal Mahmood Jaradat** was appointed as an Acting Deputy Director General since 07/07/2021.
- **Mr. Issa Ismail Al Tarayra**: Finance Dept. Manager
- **Mrs. Amal Mahmood Ahmad Jaradat**; Manager of the Export Credit Guarantee and Domestic Sales Dept. until 06/07/2021, **Mrs. Fatima Saeed Hamdan** was appointed as an Acting Manager of the Export Credit Guarantee and Domestic Sales Dept. since 07/07/2021.
- **Mr. Feras Mustafa Khalil Fayyad**; Manager of the Loan Guarantee Dept. until 28/08/2021 and Advisor until 30/09/2021, **Mr. Mahmoud Ahmed Al-Rbeihat** was appointed as an Acting Manager of the Loan Guarantee Dept. since 29/08/2021.
- **Mr. Tarek Talal Al Nabulsi**; Manager of the Follow-ups, Indemnification and Recoveries Dept. until the date of his resignation on 23/09/2021.
- **Mr. Rami Awwad Ayed Samardali**; Manager of Risk Management and Compliance Dept. until 25/09/2021, and **Mr. Ahmad Hashem Beirqdar** was appointed as the Acting Manager of Risk Management and Compliance Dept. since 26/09/2021.
- **Mr. Jehad Younes Al-Qdeimat**; Manager of the Support Dept. until the date of his resignation on 30/06/2021, **Mr. Muhammad Nour Mahmood Al-Jabai** was appointed as the Manager of Support Dept. since 19/09/2021.
- **Mrs. Hanaa "Mohammed Mamdouh" Al Shihabi**; Manager of the ISSF Monitoring Unit.
- **Mrs. Maysoun Ibrahim Al Amarneh**; Manager of Business Development and Market Research Unit since 10/01/2021

**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 – Manager of the Internal Audit Unit.

**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 Wshah and Mr. Khatab Al Banna.
- The full function of the Audit Committee has been executed in accordance with provision of the law and the Corporate Governance regulations.
- Brief of qualifications and experiences 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. Tawfiq Mukahall, Ms. Rana Sawalha and H.E Dr. Mohammed Al Ja'fari.

**J- The number of meetings per each committee during the year with member presence list**

- Audit Committee: six meetings were attended by all members of the committee.
- Risk Management Committee: two meetings were attended by all members except Mr. Tawfeeq Mukahal was absent in both meetings (Justified).
- Nomination and Remuneration Committee: five 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 the External Auditor without the attendance JLGC executive management only one time on 06/02/2021.

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

- The Board members met 8 times during 2021

Name	Meeting 1	Meeting 2	Meeting 3	Meeting 4	Meeting 5	Meeting 6	Meeting 7	Meeting 8
Dr. Maher Al Shiekh Hasan	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Kamal Al Bakri	Present	Present	Present	Present	Present	Present	Absent/ justified	Present
Mrs. Nadia Al Sa'eed	Present	Present	Present	Present	Present	Present	Present	Present
Dr. Ibrahim Saif	Present	Present	Present	Present	Present	Present	Present	Present
Dr. Khaldoun AlWshah	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Waleed Al Samhour	Present	Present	Present	Present	Present	Present	Present	Absent/ justified
Ms. Rana Sawalha	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Tawfiq Mukahall	Present	Present	Absent/ justified	Present	Absent/ justified	Present	Present	Present
Dr. Ismail Zaghlol	Present	Present	Present	Present	Present	Absent/ justified	Present	Present
Dr. Adnan El Hindi	Present	Present	Present	Present	Present	Absent/ justified	Present	Present
Mr. Khattab Al Banna	Present	Present	Present	Absent/ justified	Present	Present	Present	Present

Dr. Adel Al Sharkas



Chairman of the Board



**JLGC Financial Statements**  
**31 December 2021**

**Jordan Loan Guarantee Corp.**  
**Public Shareholding Company**

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## 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 2021, 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 2021, 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 2021 financial assets totaling JOD (37,409,375), 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 2021 provisions against loan guarantee totaling JOD (74,770,366) 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.

### **(3) Deferred Tax Assets**

Included in the accompanying financial statements at the end of the year 2021 deferred tax assets totaling JOD (690,580) as the expected benefits of these assets is primarily dependent on the Company's ability to generate adequate future profits, and since forecasting future profits is based on the Company's assumptions and estimates, determining the future benefits of the deferred tax assets is considered a key audit matter. The audit procedures performed by us to address this key audit matter included discussing the recoverability of the deferred tax assets with the Company's tax advisor and testing of the Company's budgeting procedures upon which the forecasts are based. We have also considered the appropriateness of its calculation and disclosure in the financial statements.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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.

9 February 2022  
Amman - Jordan



  
Arab Professionals  
Ibrahim Hammoudeh  
License No. (606)

**Jordan Loan Guarantee Corp.  
Public Shareholding Company  
Statement of Financial Position  
As at 31 December 2021  
(In Jordanian Dinar)**

	Notes	2021	2020
<b>Assets</b>			
Cash and cash equivalents	4	2,652,036	2,343,950
Deposits at banks	5	31,100,948	29,482,252
Restricted bank deposits	12-18	93,258,922	69,856,909
Restricted financial assets measured at amortized cost	12-18	661,517,442	669,135,861
Financial assets measured at fair value through other comprehensive income	6	1,165,443	1,158,613
Financial assets measured at amortized cost	7	3,482,746	3,482,735
Receivables and other current assets	8	1,721,700	1,534,840
Deferred tax assets	9	690,580	490,597
Property and equipment	10	2,993,346	3,032,532
<b>Total Assets</b>		<b><u>798,583,163</u></b>	<b><u>780,518,289</u></b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Provisions against loans guarantee	11	74,770,366	46,961,641
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	300,000,000
Ministry of Planning deposit	17	1,248,500	1,248,500
Startup micro projects loans	18	69,478,308	81,674,658
Payables and other current liabilities	19	9,156,165	8,223,946
Income tax provision	9	410,101	26,425
<b>Total Liabilities</b>		<b><u>760,223,412</u></b>	<b><u>743,295,142</u></b>
<b>Equity</b>			
	21		
Paid in capital		29,080,310	29,080,310
Statutory reserve		2,086,060	1,937,505
Voluntary reserve		2,204,824	2,204,824
Fair value adjustments		477,935	471,464
Retained earnings		4,510,622	3,529,044
<b>Total Equity</b>		<b><u>38,359,751</u></b>	<b><u>37,223,147</u></b>
<b>Total Liabilities and Equity</b>		<b><u>798,583,163</u></b>	<b><u>780,518,289</u></b>

"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 2021  
(In Jordanian Dinar)**

	Notes	2021	2020
<b>Revenues</b>			
Interest income		1,370,457	1,459,292
Bonds interest income		199,829	209,911
Commissions on guaranteed loans		1,014,719	1,024,536
Commissions on guaranteed exports and domestic buyers		397,778	263,947
Commissions on guaranteed industrial loans and financial leasing		553,779	534,134
Commissions on guaranteed loans of the national program for facing COVID-19 pandemic		1,128,358	543,832
Dividends income		-	105,000
Commissions against managing Central Bank of Jordan loans provisions	11	547,477	316,657
Other revenues		6,679	29,933
<b>Total Revenues</b>		<b><u>5,219,076</u></b>	<b><u>4,487,242</u></b>
<b>Deduct :</b>			
Administrative expenses	22	1,778,912	1,624,305
Provisions against loans guarantees	11	1,903,156	1,941,953
Provision for expected credit loss for deposits and bonds		2,570	7,631
Provision against end of service indemnity		48,888	62,845
Board of directors' remunerations		55,000	55,000
<b>Total Expenses</b>		<b><u>3,788,526</u></b>	<b><u>3,691,734</u></b>
<b>Profit for the year before tax</b>		<b>1,430,550</b>	<b>795,508</b>
Tax expense for the year	9	(300,417)	(150,489)
<b>Profit for the year</b>		<b><u>1,130,133</u></b>	<b><u>645,019</u></b>
<b>Basic and diluted earnings per share</b>	23	<b><u>0.039</u></b>	<b><u>0.022</u></b>

“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 2021  
(In Jordanian Dinar)**

	<b>2021</b>	<b>2020</b>
Profit for the year	1,130,133	645,019
<b>Other comprehensive income items</b>		
Changes in fair value of financial assets through other comprehensive income	<u>6,471</u>	<u>(2,376)</u>
<b>Total comprehensive income for the year</b>	<b><u>1,136,604</u></b>	<b><u>642,643</u></b>

“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 2021  
(In Jordanian Dinar)**

	Paid in capital	Reserves		Fair value adjustments	Retained* earnings	Total
		Statutory	Voluntary			
<b>Balance at 1 January 2021</b>	<b>29,080,310</b>	<b>1,937,505</b>	<b>2,204,824</b>	<b>471,464</b>	<b>3,529,044</b>	<b>37,223,147</b>
Total comprehensive income for the year	-	-	-	6,471	1,130,133	<b>1,136,604</b>
Statutory reserve	-	148,555	-	-	(148,555)	-
<b>Balance at 31 December 2021</b>	<b>29,080,310</b>	<b>2,086,060</b>	<b>2,204,824</b>	<b>477,935</b>	<b>4,510,622</b>	<b>38,359,751</b>
<b>Balance at 1 January 2020</b>	<b>29,080,310</b>	<b>1,852,454</b>	<b>2,204,824</b>	<b>473,840</b>	<b>2,969,076</b>	<b>36,580,504</b>
Total comprehensive income for the year	-	-	-	(2,376)	645,019	<b>642,643</b>
Statutory reserve	-	85,051	-	-	(85,051)	-
<b>Balance at 31 December 2020</b>	<b>29,080,310</b>	<b>1,937,505</b>	<b>2,204,824</b>	<b>471,464</b>	<b>3,529,044</b>	<b>37,223,147</b>

\* 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 2021  
(In Jordanian Dinar)**

	2021	2020
<b>Operating Activities</b>		
Profit for the year before income tax	1,430,550	795,508
Depreciation	72,870	75,023
Amortization of deferred grants revenue	(6,679)	(11,279)
Provision against end of service indemnity	48,888	62,845
Provisions against loans guarantee	1,903,156	1,941,953
Board of directors' remunerations	55,000	55,000
Provision for expected credit loss of deposits and bonds	2,570	7,631
<b>Changes in working capital</b>		
Payables and other current liabilities	835,010	4,431,410
Receivables and other current assets	(186,871)	(122,962)
Net payments for loans guarantees	(1,000,605)	(2,033,686)
Income tax paid	(117,083)	(356,791)
<b>Net Cash Flows From Operating Activities</b>	<u>3,036,806</u>	<u>4,844,652</u>
<b>Investing Activities</b>		
Deposits at banks	(1,621,266)	303,449
Property and equipment	(33,684)	(13,671)
<b>Net Cash Flows (Used in) From Investing Activities</b>	<u>(1,654,950)</u>	<u>289,778</u>
<b>Financing Activities</b>		
Central Bank of Jordan loan – Facing COVID-19 pandemic program	-	300,000,000
Restricted bank deposits and financial assets measured at amortized cost	11,122,580	(302,968,519)
Startup micro projects loans	(12,196,350)	(957,150)
<b>Net Cash Flows Used in Financing Activities</b>	<u>(1,073,770)</u>	<u>(3,925,669)</u>
<b>Net changes in cash and cash equivalents</b>	308,086	1,208,761
Cash and cash equivalents, beginning of year	2,343,950	1,135,189
<b>Cash and cash equivalents, end of year</b>	<u>2,652,036</u>	<u>2,343,950</u>

“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 2021  
(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 shares 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 9 February 2022 and requires the General assembly's approval.

## **2 . Significant Accounting Policies**

### **Basis of preparation**

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

The financial statements have been prepared on a historical cost basis except for 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 IFRS standard**

The following standard has been published that is mandatory for accounting periods after 31 December 2021. Management anticipates that the adoption of new standard will have no material impact on the financial statements of the Company.

<u>Standard No.</u>	<u>Title of Standard</u>	<u>Effective Date</u>
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 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	
	2021	2020	2021	2020
Housing loans guarantees	20,999,395	24,565,506	13,850,762	15,504,396
Productive loans guarantees	43,955,134	44,510,134	35,808,683	37,204,951
Export credit guarantees & domestic buyers	10,694,125	8,151,854	10,694,125	8,151,854
Industrial loans guarantees and Finance lease	36,401,187	32,074,095	36,401,187	32,074,095
Startup micro projects	18,499,859	10,600,000	18,499,859	11,800,588
National program for facing COVID-19 pandemic	323,407,037	327,586,016	323,407,037	327,586,016

### 4 . Cash and cash equivalents

	2021	2020
Cash on hand	2,000	1,000
Cash at banks	132,688	-
Deposits mature within three months	2,519,134	2,344,682
Provision for expected credit loss	(1,786)	(1,732)
	<b>2,652,036</b>	<b>2,343,950</b>

Annual interest rate for bank deposits ranging between (2%) and (4.35%).

The movement on the provision for expected credit loss was as follow:

	2021	2020
Balance at the beginning of the year	1,732	692
Provision for the year	<u>54</u>	<u>1,040</u>
<b>Balance at the end of the year</b>	<b><u>1,786</u></b>	<b><u>1,732</u></b>

## 5 . Deposits at banks

Bank deposits mature within (4) to (12) months, with an annual interest rate ranging between (3.2%) and (4.4%), provision for expected credit loss for these deposits as at 31 December 2021 amounted to JOD (66,756), against JOD (64,240) as at 31 December 2020.

The movement on the provision for expected credit loss was as follow:

	2021	2020
Balance at the beginning of the year	64,240	57,618
Provision for the year	<u>2,516</u>	<u>6,622</u>
<b>Balance at the end of the year</b>	<b><u>66,756</u></b>	<b><u>64,240</u></b>

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

	2021	2020
Investments in listed shares (in Jordan)	916,253	909,423
Investments in unlisted shares (in Jordan)	<u>249,190</u>	<u>249,190</u>
	<b><u>1,165,443</u></b>	<b><u>1,158,613</u></b>

## 7 . Financial assets measured at amortized cost

	2021	2020
Investment in bonds – Jordan	3,490,945	3,490,934
Provision for expected credit loss	<u>(8,199)</u>	<u>(8,199)</u>
	<b><u>3,482,746</u></b>	<b><u>3,482,735</u></b>

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

	2021	2020
Accrued commissions income	897,357	867,781
Accrued commissions for managing Central Bank of Jordan loans provisions	547,477	316,657
Accrued interest income	231,592	288,139
Accounts receivable	13,752	33,888
Prepaid expenses	22,929	19,647
Refundable deposits	7,815	7,815
Others	778	913
	<u>1,721,700</u>	<u>1,534,840</u>

## 9 . Income tax

The movement on the income tax provision was as follows:

	2021	2020
Balance at beginning of the year	26,425	237,172
Current year income and national contribution tax charge	500,759	146,044
Income tax paid	(117,083)	(356,791)
	<u>410,101</u>	<u>26,425</u>

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

	2021	2020
Income tax expense for the year	476,913	139,089
National Contribution tax for the year	23,846	6,955
Deferred tax	(200,342)	4,445
	<u>300,417</u>	<u>150,489</u>
Statutory and National Contribution tax rate	21%	21%

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

	2021	2020
Provisions against loans guarantee	633,281	443,745
End of service provision	67,664	57,398
Provision for expected credit loss of deposits and bonds	16,116	15,576
Changes in fair value reserve	(26,481)	(26,122)
	<u>690,580</u>	<u>490,597</u>

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2019.
- The Income tax return for the year 2020 has been filed with the Income Tax Department, but the Department has not reviewed the company's records till the date of this report.
- The Income and National contribution tax provision for the year 2021 was calculated in accordance with the Income Tax Law.

## 10 . Property and equipment

	Lands	Buildings	Furniture & Fixtures	Vehicles	Computers & Software	Total
<b>Cost</b>						
Balance at 1/1/2021	1,688,453	1,557,059	213,105	109,901	526,984	4,095,502
Additions	-	886	22,060	-	10,738	33,684
Balance at 31/12/2021	<u>1,688,453</u>	<u>1,557,945</u>	<u>235,165</u>	<u>109,901</u>	<u>537,722</u>	<u>4,129,186</u>
<b>Accumulated depreciation</b>						
Balance at 1/1/2021	-	337,394	165,415	75,630	484,531	1,062,970
Depreciation for the year	-	31,735	10,748	11,385	19,002	72,870
Balance at 31/12/2021	-	369,129	176,163	87,015	503,533	1,135,840
<b>Net book value at 31/12/2021</b>	<u>1,688,453</u>	<u>1,188,816</u>	<u>59,002</u>	<u>22,886</u>	<u>34,189</u>	<u>2,993,346</u>
<b>Cost</b>						
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	<u>1,688,453</u>	<u>1,557,059</u>	<u>213,105</u>	<u>109,901</u>	<u>526,984</u>	<u>4,095,502</u>
<b>Accumulated depreciation</b>						
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
<b>Net book value at 31/12/2020</b>	<u>1,688,453</u>	<u>1,219,665</u>	<u>47,690</u>	<u>34,271</u>	<u>42,453</u>	<u>3,032,532</u>

## 11 . Provisions against loans guarantees

Provisions against loans guarantees are calculated according to IFRS (9) requirements.

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

	2021	2020
Provision for productive loans guarantees	605,312	894,959
Provision for housing loans guarantees	208,669	209,533
Provision for export guarantees	201,643	8,581
Special provision against loans guarantees	2,000,000	1,000,000
Provision for industrial financing *	11,040,785	8,683,722
Provision for pioneer projects financing *	222,496	217,412
Provision for startup companies financing *	12,614,556	9,858,080
Provision for export credit guarantees financing *	11,449,305	9,128,196
Provision for supporting bank guarantees for contractors outside Jordan program*	8,329,648	4,859,888
Provision for housing loans guarantees financing – Facilitated housing*	7,704,624	3,622,259
Provision for facing COVID-19 pandemic loans guarantees financing*	20,393,328	8,479,011
	<b><u>74,770,366</u></b>	<b><u>46,961,641</u></b>

\* 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

	2021	2020
Balance at beginning of the year	894,959	1,872,738
Charge for the year	848,729	840,747
Recoveries	211,837	175,692
Compensations paid	(1,350,213)	(1,994,218)
	<b><u>605,312</u></b>	<b><u>894,959</u></b>

### Provision for housing loans guarantees

	2021	2020
Balance at beginning of the year	209,533	244,252
(Unneeded provision) Charge for the year	(138,635)	97,519
Recoveries	266,681	110,432
Compensations paid	(128,910)	(242,670)
	<b><u>208,669</u></b>	<b><u>209,533</u></b>

### Provision for export guarantees

	2021	2020
Balance at beginning of the year	8,581	87,726
Charge for the year	193,062	3,687
Compensations paid	-	(82,832)
	<b>201,643</b>	<b>8,581</b>

### Special provision against loans guarantees

	2021	2020
Balance at beginning of the year	1,000,000	-
Charge for the year	1,000,000	1,000,000
	<b>2,000,000</b>	<b>1,000,000</b>

### Provision for industrial financing

	2021	2020
Balance at beginning of the year	8,683,722	6,536,553
Charge for the year against Central Bank of Jordan loan's interest	551,303	552,904
Transfer from export credit guarantees provision	2,000,000	2,000,000
Recoveries	134,604	194,578
Compensations paid	(233,929)	(561,192)
Income and national contribution tax expense for the year	(94,915)	(39,121)
	<b>11,040,785</b>	<b>8,683,722</b>

### Provision for pioneer projects financing

	2021	2020
Balance at beginning of the year	217,412	157,873
Charge for the year against ministry of planning deposits	64,184	75,366
Compensations paid	(57,748)	-
Income and national contribution tax expense for the year	(1,352)	(15,827)
	<b>222,496</b>	<b>217,412</b>

### Provision for startup companies financing

	2021	2020
Balance at beginning of the year	9,858,080	6,989,271
Charge for the year against startup micro projects loans	4,743,431	5,053,299
Interest on loans for startup companies guarantees financing	(1,093,943)	(1,116,065)
Recoveries	25,043	-
Compensations paid	(185,323)	(305,833)
Income and national contribution tax expense for the year	(732,732)	(762,592)
	<b>12,614,556</b>	<b>9,858,080</b>

### Provision for export credit guarantees financing

	2021	2020
Balance at beginning of the year	9,128,196	6,828,455
Charge for the year against Central Bank of Jordan loan	7,603,583	7,551,921
Interest on Central Bank of Jordan loan	(1,999,980)	(2,005,460)
Transfer to industrial financing provision	(2,000,000)	(2,000,000)
Inquiry fees	(6,589)	-
Management fees	(127,253)	(103,749)
Income and national contribution tax expense for the year	<u>(1,148,652)</u>	<u>(1,142,971)</u>
	<b><u>11,449,305</u></b>	<b><u>9,128,196</u></b>

### Provision for supporting bank guarantees for contractors outside Jordan

	2021	2020
Balance at beginning of the year	4,859,888	1,473,692
Charge for the year against Central Bank of Jordan loan	6,485,555	6,349,987
Interest on Central Bank of Jordan loan	(2,000,000)	(2,005,481)
Management fees	(93,454)	(58,182)
Income and national contribution tax expense for the year	<u>(922,341)</u>	<u>(900,128)</u>
	<b><u>8,329,648</u></b>	<b><u>4,859,888</u></b>

### Provision for housing loans guarantees financing – Facilitated housing

	2021	2020
Balance at beginning of the year	3,622,259	-
Charge for the year against Central Bank of Jordan loan	5,756,337	5,746,523
Interest on Central Bank of Jordan loan	(500,000)	(515,071)
Stamps expenses	-	(600,000)
Management fees	(88,786)	(46,314)
Income and national contribution tax expense for the year	<u>(1,085,186)</u>	<u>(962,879)</u>
	<b><u>7,704,624</u></b>	<b><u>3,622,259</u></b>

### Provision for facing COVID-19 pandemic loans guarantees financing

	2021	2020
Balance at beginning of the year	8,479,011	-
Charge for the year against Central Bank of Jordan loan	16,961,508	11,922,158
Interest on Central Bank of Jordan loan	(1,500,000)	(1,080,822)
Compensations paid	(142,111)	-
Management fees	(237,984)	(108,412)
Income and national contribution tax expense for the year	<u>(3,167,096)</u>	<u>(2,253,913)</u>
	<b><u>20,393,328</u></b>	<b><u>8,479,011</u></b>

## **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 (16,279,585) and JOD (13,867,317) as at 31 December 2021 and 2020 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 (112,597,470) as at 31 December 2021 and JOD (110,270,406) 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 (100,001,437).

## **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 (109,251,990) as at 31 December 2021 and (105,760,016) 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 (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 (108,789,812) as at 31 December 2021 and JOD (104,585,138) 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 (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 (323,560,421) as at 31 December 2021 and 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 2021 amounted to JOD (1,248,500) and the restricted balance presented under assets in the statement of financial position amounted to JOD (1,472,360) and JOD (1,481,742) as at 31 December 2021 and 2020 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) was settled during 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 (82,824,726) as at 31 December 2021 and JOD (92,295,229) as at 31 December 2020 part of it is mortgaged against Central Bank of Jordan loan amounted to JOD (55,466,877).

## 19 . Payables and other current liabilities

	2021	2020
Income tax payable on provisions against restricted assets	7,152,274	6,075,052
Unearned commissions	880,301	1,093,002
Reinsurers payables	428,443	413,864
Provision for end of service indemnity	322,210	273,322
Accrued expenses	226,339	217,444
Shareholders Withholdings	79,909	79,917
Deferred grant income (Note 20)	3,470	10,149
Provision for Board of Directors' remunerations	55,000	55,000
Others	8,219	6,196
	<u>9,156,165</u>	<u>8,223,946</u>

## 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 2021 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 2021 and 2020.

### 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

	2021	2020
Salaries and wages	1,103,517	1,003,577
Company's contribution in social security	113,599	110,130
Company's contribution in saving fund	91,255	86,464
Subscriptions	74,587	75,457
Depreciation (Note 10)	72,870	75,023
Board of Directors' transportation	71,400	71,200
Medical and health insurance expenses	71,331	51,955
Maintenance	41,980	38,073
Post, telephone, water and electricity	31,605	32,936
Professional fees	26,674	23,528
Official duties and training courses	17,765	11,537
Marketing expenses	16,205	5,775
Stationary and printings	13,842	10,960
Vehicles expenses	5,986	5,510
Company's controller fees	600	600
Others	25,696	21,580
	<u>1,778,912</u>	<u>1,624,305</u>

## 23 . Basic and diluted earnings per share

	2021	2020
Profit for the year	1,130,133	645,019
Weighted average number of shares	29,080,310	29,080,310
	<u>0.039</u>	<u>0.022</u>

## 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 (21,292,462) JOD/Share as at 31 December 2021 and 2020 respectively.

## 25 . Executive management remuneration

The salaries and remunerations of the executive management amounted to JOD (589,646) and JOD (519,179) as at 31 December 2021 and 2020 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.

**Jordan Loan Guarantee Corp.**  
**Notes to the Financial Statements (continued)**  
**31 December 2021**

2021	Up to one year	More than one year	Total
<b>Assets</b>			
Cash and cash equivalents	2,652,036	-	<b>2,652,036</b>
Deposits at banks	31,100,948	-	<b>31,100,948</b>
Restricted bank deposits	-	93,258,922	<b>93,258,922</b>
Restricted financial assets measured at amortized cost	-	661,517,442	<b>661,517,442</b>
Financial assets measured at fair value through other comprehensive income	-	1,165,443	<b>1,165,443</b>
Financial assets measured at amortized cost	-	3,482,746	<b>3,482,746</b>
Receivables and other current assets	1,721,700	-	<b>1,721,700</b>
Deferred tax assets	-	690,580	<b>690,580</b>
Property and equipment	-	2,993,346	<b>2,993,346</b>
<b>Total assets</b>	<b><u>35,474,684</u></b>	<b><u>763,108,479</u></b>	<b><u>798,583,163</u></b>
<b>Liabilities</b>			
Provisions against loans guarantees	1,000,605	73,769,761	<b>74,770,366</b>
Central Bank of Jordan loan – Industrial loans guarantees program	-	5,160,695	<b>5,160,695</b>
Central Bank of Jordan loan – Export credit guarantees program	-	99,999,277	<b>99,999,277</b>
Central Bank of Jordan loan – Support bank guarantees for contractors outside Jordan program	-	100,000,000	<b>100,000,000</b>
Central Bank of Jordan loan – Housing loans guarantees program – Facilitated housing	-	100,000,000	<b>100,000,000</b>
Central Bank of Jordan loan – Facing COVID-19 pandemic program	-	300,000,000	<b>300,000,000</b>
Ministry of Planning deposit	1,248,500	-	<b>1,248,500</b>
Startup micro projects loans	957,150	68,521,158	<b>69,478,308</b>
Payables and other current liabilities	9,156,165	-	<b>9,156,165</b>
Income tax provision	410,101	-	<b>410,101</b>
<b>Total liabilities</b>	<b><u>12,772,521</u></b>	<b><u>747,450,891</u></b>	<b><u>760,223,412</u></b>

**Jordan Loan Guarantee Corp.**  
**Notes to the Financial Statements (continued)**  
**31 December 2021**

2020	Up to one year	More than one year	Total
<b>Assets</b>			
Cash and cash equivalents	2,343,950	-	<b>2,343,950</b>
Deposits at banks	29,482,252	-	<b>29,482,252</b>
Restricted bank deposits	-	69,856,909	<b>69,856,909</b>
Restricted financial assets measured at amortized cost	-	669,135,861	<b>669,135,861</b>
Financial assets measured at fair value through other comprehensive income	-	1,158,613	<b>1,158,613</b>
Financial assets measured at amortized cost	-	3,482,735	<b>3,482,735</b>
Receivables and other current assets	1,534,840	-	<b>1,534,840</b>
Deferred tax assets	-	490,597	<b>490,597</b>
Property and equipment	-	3,032,532	<b>3,032,532</b>
<b>Total assets</b>	<b><u>33,361,042</u></b>	<b><u>747,157,247</u></b>	<b><u>780,518,289</u></b>
<b>Liabilities</b>			
Provisions against loans guarantees	2,033,596	44,928,045	<b>46,961,641</b>
Central Bank of Jordan loan – Industrial loans guarantees program	-	5,160,695	<b>5,160,695</b>
Central Bank of Jordan loan – Export credit guarantees program	-	99,999,277	<b>99,999,277</b>
Central Bank of Jordan loan – Support bank guarantees for contractors outside Jordan program	-	100,000,000	<b>100,000,000</b>
Central Bank of Jordan loan – Housing loans guarantees program – Facilitated housing	-	100,000,000	<b>100,000,000</b>
Central Bank of Jordan loan – Facing COVID-19 pandemic program	-	300,000,000	<b>300,000,000</b>
Ministry of Planning deposit	1,248,500	-	<b>1,248,500</b>
Startup micro projects loans	957,150	80,717,508	<b>81,674,658</b>
Payables and other current liabilities	8,223,946	-	<b>8,223,946</b>
Income tax provision	26,425	-	<b>26,425</b>
<b>Total liabilities</b>	<b><u>12,489,617</u></b>	<b><u>730,805,525</u></b>	<b><u>743,295,142</u></b>

## 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.

2021	Up to one year	More than one year	Non-interest bearing	Total
<b>Assets</b>				
Cash and cash equivalents	2,517,348	-	134,688	<b>2,652,036</b>
Deposits at banks	31,100,948	-	-	<b>31,100,948</b>
Restricted bank deposits	-	-	93,258,922	<b>93,258,922</b>
Restricted financial assets measured at amortized cost	-	-	661,517,442	<b>661,517,442</b>
Financial assets measured at fair value through other comprehensive income	-	-	1,165,443	<b>1,165,443</b>
Financial assets measured at amortized cost	-	3,482,746	-	<b>3,482,746</b>
Receivables and other current assets	-	-	1,721,700	<b>1,721,700</b>
Deferred tax assets	-	-	690,580	<b>690,580</b>
Property and equipment	-	-	2,993,346	<b>2,993,346</b>
<b>Total assets</b>	<b><u>33,618,296</u></b>	<b><u>3,482,746</u></b>	<b><u>761,482,121</u></b>	<b><u>798,583,163</u></b>
<b>Liabilities</b>				
Provisions against loans guarantees	-	-	74,770,366	<b>74,770,366</b>
Central Bank of Jordan loan – Industrial loans guarantees program	-	-	5,160,695	<b>5,160,695</b>
Central Bank of Jordan loan – Export credit guarantees program	-	-	99,999,277	<b>99,999,277</b>
Central Bank of Jordan loan – Support bank guarantees for contractors outside Jordan program	-	-	100,000,000	<b>100,000,000</b>
Central Bank of Jordan loan – Housing loans guarantees program	-	-	100,000,000	<b>100,000,000</b>
Central Bank of Jordan loan – Facing COVID-19 pandemic program	-	-	300,000,000	<b>300,000,000</b>
Ministry of Planning deposit	-	-	1,248,500	<b>1,248,500</b>
Startup micro projects loans	-	-	69,478,308	<b>69,478,308</b>
Payables and other current liabilities	-	-	9,156,165	<b>9,156,165</b>
Income tax provision	-	-	410,101	<b>410,101</b>
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>760,223,412</u></b>	<b><u>760,223,412</u></b>
<b>Interest rate re-pricing gap</b>	<b><u>33,618,296</u></b>	<b><u>3,482,746</u></b>	<b><u>1,258,709</u></b>	<b><u>38,359,751</u></b>

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

## 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	
	2021	2020
Revenue from loans guarantees	2,696,856	2,102,502
Revenue from guarantees of exports and domestic buyers	397,778	263,947
Revenue from investing in financial securities	1,570,286	1,774,203
Revenue from managing Central Bank of Jordan loans provisions	547,477	316,657
Assets related to guarantees of loans and export sector and managing Central Bank of Jordan loans provisions	755,673,721	739,860,551
Assets related to investment in financial securities	38,630,765	36,754,689

## 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.

2021	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	<u>916,253</u>	<u>145,000</u>	<u>104,190</u>	<u>1,165,443</u>

2020	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	<u>909,423</u>	<u>145,000</u>	<u>104,190</u>	<u>1,158,613</u>

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:

2021	Less than one year	More than one year	Total
Provisions against loans guarantees	1,000,605	73,769,761	<b>74,770,366</b>
Central Bank of Jordan loan - Industrial loans guarantees program	-	5,160,695	<b>5,160,695</b>
Central Bank of Jordan loan - Export credit guarantees program	-	99,999,277	<b>99,999,277</b>
Central Bank of Jordan loan - Support bank guarantees for contractors outside Jordan program	-	100,000,000	<b>100,000,000</b>
Central Bank of Jordan loan - Housing loans guarantees program – Facilitated housing	-	100,000,000	<b>100,000,000</b>
Central Bank of Jordan loan - Facing Covid-19 pandemic program	-	300,000,000	<b>300,000,000</b>
Ministry of Planning deposit	1,248,500	-	<b>1,248,500</b>
Startup micro projects loans	957,150	68,521,158	<b>69,478,308</b>
Payables and other current liabilities	9,156,165	-	<b>9,156,165</b>
Income tax provision	410,101	-	<b>410,101</b>
	<b>12,772,521</b>	<b>747,450,891</b>	<b>760,223,412</b>

2020	Less than one year	More than one year	Total
Provisions against loans guarantees	2,033,596	44,928,045	<b>46,961,641</b>
Central Bank of Jordan loan - Industrial loans guarantees program	-	5,160,695	<b>5,160,695</b>
Central Bank of Jordan loan - Export credit guarantees program	-	99,999,277	<b>99,999,277</b>
Central Bank of Jordan loan - Support bank guarantees for contractors outside Jordan program	-	100,000,000	<b>100,000,000</b>
Central Bank of Jordan loan - Housing loans guarantees program – Facilitated housing	-	100,000,000	<b>100,000,000</b>
Central Bank of Jordan loan - Facing Covid-19 pandemic program	-	300,000,000	<b>300,000,000</b>
Ministry of Planning deposit	1,248,500	-	<b>1,248,500</b>
Startup micro projects loans	957,150	80,717,508	<b>81,674,658</b>
Payables and other current liabilities	8,223,946	-	<b>8,223,946</b>
Income tax provision	26,425	-	<b>26,425</b>
	<b>12,489,617</b>	<b>730,805,525</b>	<b>743,295,142</b>

### **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%) (2020: 2% - 6.99%). 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 (185,889) for 2021 (2020: JOD 176,911).

### **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 (86,815) during 2021 (2020: JOD 86,168).

## **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 2021

1. The Board of Directors of the Jordan Loan Guarantee Corporation declares that no material issues might influence the continuity of the corporation during the upcoming fiscal year 2022.

Board Member  
Dr. Khalidoun Al Wshah

Board Member  
H.E.Dr. Ibrahim Saif

Board Member  
H.E.Mrs. Nadia Al Saeed

Chairman  
H.E.Dr. Adel Al Sharkas

Board Member  
Mr. Tawfiq Mukahall

Board Member  
Ms. Rana Sawalha

Board Member  
Mr. Walid Al Samhour

Vice Chairman  
Mr. Kamal Al Bakri

Board Member  
H.E.Dr. Ismail Zaghoul

Board Member  
Dr. Adnan Al Hindi

Board Member  
Mr. Khatat 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. Khalidoun Al Wshah

Board Member  
H.E.Dr. Ibrahim Saif

Board Member  
H.E.Mrs. Nadia Al Saeed

Chairman  
H.E.Dr. Adel Al Sharkas

Board Member  
Mr. Tawfiq Mukahall

Board Member  
Ms. Rana Sawalha

Board Member  
Mr. Walid Al Samhour

Vice Chairman  
Mr. Kamal Al Bakri

Board Member  
H.E.Dr. Ismail Zaghoul

Board Member  
Dr. Adnan Al Hindi

Board Member  
Mr. Khatat Banna

3. We the undersigned declare that the financial statements and the information within the Annual Report 2021 are correct.

Finance Dept. Manager  
Mr. Issa Al Tarayrah

Director General  
H.E.Dr. Mohamied Al Ja'fari

Chairman  
H.E.Dr. Adel Al Sharkas





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