

**Jordan Loan Guarantee Corp.**  
**Public Shareholding Company**  
**Condensed Interim Financial Statements (Unaudited)**  
**30 September 2023**

DRAFT

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

---

	<u>Pages</u>
- Report on review of condensed interim financial statements	2
- Interim statement of financial position	3
- Interim statement of profit or loss	4
- Interim statement of comprehensive income	5
- Interim statement of changes in equity	6
- Interim statement of cash flows	7
- Notes to the condensed interim financial statements	8 - 11

## **Report on Review of Condensed Interim Financial Statements**

**To The Board of Directors  
Jordan Loan Guarantee Corp.  
Public Shareholding Company  
Amman - Jordan**

### **Introduction**

We have reviewed the accompanying condensed interim financial statements of **Jordan Loan Guarantee Corp.** comprising the interim statement of financial position as at 30 September 2023 and the related interim statement of profit or loss, interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the nine months period then ended and the notes about condensed interim financial statements. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements number (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

Amman – Jordan

**Arab Professionals  
Ibrahim Hammoudeh  
(License No. 606)**

**Jordan Loan Guarantee Corp.**  
**Public Shareholding Company**  
**Interim Statement of Financial Position as at 30 September 2023**

(In Jordanian Dinar)

	Note	30 September 2023 (Unaudited)	31 December 2022 (Audited)
<b>Assets</b>			
Cash and cash equivalents		16,753,240	20,481,811
Deposits at banks		18,182,553	12,389,666
Restricted bank deposits		121,109,981	106,965,982
Restricted financial assets measured at amortized cost		560,948,479	561,071,650
Financial assets measured at fair value through other comprehensive income		1,114,145	1,165,788
Financial assets measured at amortized cost		6,465,024	6,470,502
Receivables and other current assets		2,433,331	1,946,366
Deferred tax assets		1,146,050	986,828
Property and equipment		3,106,367	3,028,950
<b>Total Assets</b>		<b><u>731,259,170</u></b>	<b><u>714,507,543</u></b>
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Provisions against loans guarantee	4	108,116,884	90,744,560
Central Bank of Jordan loan - Industrial loans guarantees program		5,160,695	5,160,695
Central Bank of Jordan loan - Export credit guarantees program		99,999,277	99,999,277
Central Bank of Jordan loan - Housing loans guarantees program - Facilitated housing		100,000,000	100,000,000
Central Bank of Jordan loan - Facing COVID-19 pandemic program		300,000,000	300,000,000
Ministry of Planning deposit		1,248,500	1,248,500
Startup micro projects loans		68,042,583	68,521,158
Payables and other current liabilities		6,577,132	8,856,232
Income tax provision		549,433	466,515
<b>Total Liabilities</b>		<b><u>689,694,504</u></b>	<b><u>674,996,937</u></b>
<b>Equity</b>			
Paid in capital		29,080,310	29,080,310
Statutory reserve		2,235,402	2,235,402
Voluntary reserve		2,204,824	2,204,824
Fair value adjustments		429,331	478,263
Retained earnings		7,614,799	5,511,807
<b>Total Equity</b>		<b><u>41,564,666</u></b>	<b><u>39,510,606</u></b>
<b>Total Liabilities and Equity</b>		<b><u>731,259,170</u></b>	<b><u>714,507,543</u></b>

-----  
**Chairman**

-----  
**General Manager**

-----  
**Financial Manager**

“The accompanying notes from (1) to (7) are an integral part of these condensed interim financial statements and read with review report”

**Jordan Loan Guarantee Corp.**  
**Public Shareholding Company**  
**Interim Statement of Profit or Loss for the Nine Months Ended at 30 September 2023**

**(In Jordanian Dinar)**

	For the three months ended		For the nine months ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
<b>Revenues</b>				
Interest income	512,962	357,281	1,507,044	1,033,465
Bonds interest income	148,298	51,601	395,859	152,159
Commissions on guaranteed loans	238,318	239,618	717,480	686,807
Commissions on guaranteed exports and domestic buyers	81,671	91,399	337,720	318,885
Commissions on guaranteed industrial loans and financial leasing	224,467	163,547	605,539	452,998
Commissions on guaranteed loans of the national program for facing COVID-19 pandemic	243,399	283,288	738,648	848,452
Commissions against managing Central Bank of Jordan provisions	223,679	121,398	572,589	425,745
Dividends income	-	-	112,500	90,000
Unneeded provision for expected credit loss of deposits and bonds	-	18,158	-	47,263
Other revenues	-	835	130	2,780
<b>Total revenues</b>	<b>1,672,794</b>	<b>1,327,125</b>	<b>4,987,509</b>	<b>4,058,554</b>
<b>Deduct :</b>				
Administrative expenses	520,182	466,675	1,576,387	1,345,850
Provisions against loans guarantee	253,774	230,629	735,196	642,711
Provision against end of service indemnity	8,604	46,747	25,530	61,954
Provision for expected credit loss of deposits and bonds	16,833	-	10,809	-
<b>Profit for the period before income tax</b>	<b>873,401</b>	<b>583,074</b>	<b>2,639,587</b>	<b>2,008,039</b>
Income and National Contribution tax for the period	(183,414)	(122,449)	(536,595)	(407,514)
<b>Profit for the period</b>	<b>689,987</b>	<b>460,625</b>	<b>2,102,992</b>	<b>1,600,525</b>
<b>Basic and diluted earnings per share</b>	<b>0.024</b>	<b>0.016</b>	<b>0.072</b>	<b>0.055</b>

-----  
**Chairman**

-----  
**General Manager**

-----  
**Financial Manager**

"The accompanying notes from (1) to (7) are an integral part of these condensed interim financial statements and read with review report"

**Jordan Loan Guarantee Corp.**  
**Public Shareholding Company**  
**Interim Statement of Comprehensive Income for the Nine Months Ended at 30 September 2023**  
**(In Jordanian Dinar)**

	For the three months ended		For the nine months ended	
	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
Profit for the period	689,987	460,625	2,102,992	1,600,525
<b>Other comprehensive income:</b>				
Changes in fair value of financial assets through other comprehensive income	-	-	(48,932)	410
<b>Total comprehensive income for the period</b>	<b>689,987</b>	<b>460,625</b>	<b>2,054,060</b>	<b>1,600,935</b>

“The accompanying notes from (1) to (7) are an integral part of these condensed interim financial statements and read with review report”

**Jordan Loan Guarantee Corp.**  
**Public Shareholding Company**  
**Interim Statement of Changes in Equity for the Nine Months Ended at 30 September 2023 (Unaudited)**

(In Jordanian Dinar)

	Paid in capital	Reserves		Fair value adjustments	Retained earnings	Total
		Statutory	Voluntary			
<b>Balance at 1 January 2023</b>	29,080,310	2,235,402	2,204,824	478,263	5,511,807	39,510,606
Total comprehensive income for the period	-	-	-	(48,932)	2,102,992	2,054,060
<b>Balance at 30 September 2023</b>	<u>29,080,310</u>	<u>2,235,402</u>	<u>2,204,824</u>	<u>429,331</u>	<u>7,614,799</u>	<u>41,564,666</u>
<b>Balance at 1 January 2022</b>	29,080,310	2,086,060	2,204,824	477,935	4,510,622	38,359,751
Total comprehensive income for the period	-	-	-	410	1,600,525	1,600,935
<b>Balance at 30 September 2022</b>	<u>29,080,310</u>	<u>2,086,060</u>	<u>2,204,824</u>	<u>478,345</u>	<u>6,111,147</u>	<u>39,960,686</u>

“The accompanying notes from (1) to (7) are an integral part of these condensed interim financial statements and read with review report”

**Jordan Loan Guarantee Corp.**  
**Public Shareholding Company**  
**Interim Statement of Cash Flows for the Nine Months Ended at 30 September 2023**

(In Jordanian Dinar)

	30 September 2023 (Unaudited)	30 September 2022 (Unaudited)
<b>Operating Activities</b>		
Profit for the period before income tax	2,639,587	2,008,039
Depreciation	58,531	51,777
Provision against end of service indemnity	25,530	61,954
Provision against loans guarantees	735,196	642,711
(Unneeded) provision for expected credit loss of deposit and bonds	10,809	(47,263)
<b>Changes in working capital</b>		
Receivables and other current assets	(481,489)	(86,322)
Payables and other current liabilities	(2,304,630)	(2,097,476)
Net payments for loans guarantee	(26,242)	(513,872)
Paid income tax	(610,188)	(486,473)
<b>Net Cash Flows From (Used in) Operating Activities</b>	<b>47,104</b>	<b>(466,925)</b>
<b>Investing Activities</b>		
Property and equipment	(135,948)	(90,611)
Deposits at banks	(5,803,696)	30,341,079
<b>Net Cash Flows (Used in) From Investing Activities</b>	<b>(5,939,644)</b>	<b>30,250,468</b>
<b>Financing Activities</b>		
Restricted bank deposits and financial assets measured at amortized cost	2,642,544	4,722,607
Startup micro projects loans	(478,575)	(957,150)
<b>Net Cash Flows From Financing Activities</b>	<b>2,163,969</b>	<b>3,765,457</b>
<b>Net changes in cash and cash equivalents</b>	<b>(3,728,571)</b>	<b>33,549,000</b>
Cash and cash equivalents, beginning of the year	20,481,811	2,652,036
<b>Cash and cash equivalents, end of the period</b>	<b>16,753,240</b>	<b>36,201,036</b>

"The accompanying notes from (1) to (7) are an integral part of these condensed interim financial statements and read with review report"



**Guarantee Corp. Jordan Loan  
Public Shareholding Company  
Notes to the Condensed Interim Financial Statements (Unaudited)  
30 September 2023  
(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's stocks are listed in Amman Stock Exchange – Jordan.

The accompanying condensed interim financial statements have been approved for issue by the Company's Board of Directors on .....

**2 . Summary of Significant Accounting Policies**

**Basis of Preparation**

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting". They do not include all of the information required in annual financial statements in accordance with IFRSs, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2022.

The condensed interim financial statements have been prepared on a historical cost basis except for financial assets at fair value.

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

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

**Use of Estimates**

The preparation of the condensed interim 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, impairment (if any) is taken to the interim statement of profit or loss.
- Management reviews periodically provisions against loan guarantee to assess their sufficiency according to (IFRS 9) commensurate with 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).

**Jordan Loan Guarantee Corp.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**30 September 2023**

**3 . Balances of guaranteed loans and ceilings**

	Loans Ceilings		Guaranteed loans	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Housing loans guarantees	16,414,906	18,856,906	11,110,371	12,579,844
Productive loans guarantees	46,856,734	43,733,134	41,892,238	36,636,484
Export credit & domestic buyers guarantees	10,403,644	9,522,934	10,403,644	9,522,934
Industrial loans and finance lease guarantees	78,175,674	51,406,107	78,175,674	51,406,107
Startup loans guarantees	25,150,994	24,175,957	25,150,994	24,175,957
National program for facing COVID-19 pandemic	255,433,559	282,177,857	255,433,559	282,177,857
	<b>432,435,511</b>	<b>429,872,895</b>	<b>422,166,480</b>	<b>416,499,183</b>

**4 . Provisions against loans guarantee**

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

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Provision for productive loans guarantees	1,295,473	705,145
Provision for housing loans guarantees	214,478	187,221
Provision for export guarantees	566,504	475,135
Special provision against loans guarantees	3,000,000	3,000,000
Provision for industrial financing *	14,030,430	13,530,328
Provision for pioneer projects financing *	341,649	274,758
Provision for startup companies financing *	16,795,200	14,931,831
Provision for export credit guarantees financing *	17,272,293	13,828,576
Provision for supporting bank guarantees for contractors outside Jordan program*	-	436,787
Provision for housing loans guarantees financing - Facilitated housing *	15,235,327	11,895,012
Provision for facing COVID-19 pandemic loans guarantees financing*	39,365,530	31,479,767
	<b>108,116,884</b>	<b>90,744,560</b>

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

**5 . Tax Status**

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2021 except for the year 2020.
- The income tax returns for the years 2020 and 2022 have 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 nine months ended 30 September 2023 was calculated in accordance with the Income Tax Law.

**Jordan Loan Guarantee Corp.**  
**Notes to the Condensed Interim Financial Statements (Unaudited)**  
**30 September 2023**

**6 . 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:

30 September 2023	Up to one year	More than one year	Total
<b>Assets</b>			
Cash and cash equivalents	16,753,240	-	16,753,240
Deposits at banks	18,182,553	-	18,182,553
Restricted bank deposits	-	121,109,981	121,109,981
Restricted financial assets measured at amortized cost	-	560,948,479	560,948,479
Financial assets measured at fair value through other comprehensive income	-	1,114,145	1,114,145
Financial assets measured at amortized cost	-	6,465,024	6,465,024
Receivables and other current assets	2,433,331	-	2,433,331
Deferred tax assets	-	1,146,050	1,146,050
Property and equipment	-	3,106,367	3,106,367
<b>Total assets</b>	<b>37,369,124</b>	<b>693,890,046</b>	<b>731,259,170</b>
<b>Liabilities</b>			
Provisions against loans guarantees	620,000	107,496,884	108,116,884
Central Bank of Jordan loan – Industrial loans guarantees program	-	5,160,695	5,160,695
Central Bank of Jordan loan – Export credit guarantees program	-	99,999,277	99,999,277
Central Bank of Jordan loan – Housing loans guarantees program – Facilitated housing	-	100,000,000	100,000,000
Central Bank of Jordan loan – Facing COVID-19 pandemic program	-	300,000,000	300,000,000
Ministry of Planning deposit	1,248,500	-	1,248,500
Startup micro projects loans	957,150	67,085,433	68,042,583
Payables and other current liabilities	6,577,132	-	6,577,132
Income tax provision	549,433	-	549,433
<b>Total liabilities</b>	<b>9,952,215</b>	<b>679,742,289</b>	<b>689,694,504</b>
31 December 2022	Up to one year	More than one year	Total
<b>Assets</b>			
Cash and cash equivalents	20,481,811	-	20,481,811
Deposits at banks	12,389,666	-	12,389,666
Restricted bank deposits	-	106,965,982	106,965,982
Restricted financial assets measured at amortized cost	-	561,071,650	561,071,650
Financial assets measured at fair value through other comprehensive income	-	1,165,788	1,165,788
Financial assets measured at amortized cost	-	6,470,502	6,470,502
Receivables and other current assets	1,946,366	-	1,946,366
Deferred tax assets	-	986,828	986,828
Property and equipment	-	3,028,950	3,028,950
<b>Total assets</b>	<b>34,817,843</b>	<b>679,689,700</b>	<b>714,507,543</b>
<b>Liabilities</b>			
Provisions against loans guarantees	633,517	90,111,043	90,744,560
Central Bank of Jordan loan – Industrial loans guarantees program	-	5,160,695	5,160,695
Central Bank of Jordan loan – Export credit guarantees program	-	99,999,277	99,999,277
Central Bank of Jordan loan – Housing loans guarantees program – Facilitated housing	-	100,000,000	100,000,000
Central Bank of Jordan loan – Facing COVID-19 pandemic program	-	300,000,000	300,000,000
Ministry of Planning deposit	1,248,500	-	1,248,500
Startup micro projects loans	957,150	67,564,008	68,521,158
Payables and other current liabilities	8,856,232	-	8,856,232
Income tax provision	466,515	-	466,515
<b>Total liabilities</b>	<b>12,161,914</b>	<b>662,835,023</b>	<b>674,996,937</b>

**7 . Fair Value of Financial Instruments**

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.

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.

<u>30 September 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through other comprehensive income	914,955	95,000	104,190	<b>1,114,145</b>

  

<u>31 December 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through other comprehensive income	916,598	145,000	104,190	<b>1,165,788</b>