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JORDAN
LOAN GUARANTEE CORP.
The Small Business Company Of Jordan

Jordan Loan Guarantee Corp.
Annual Report

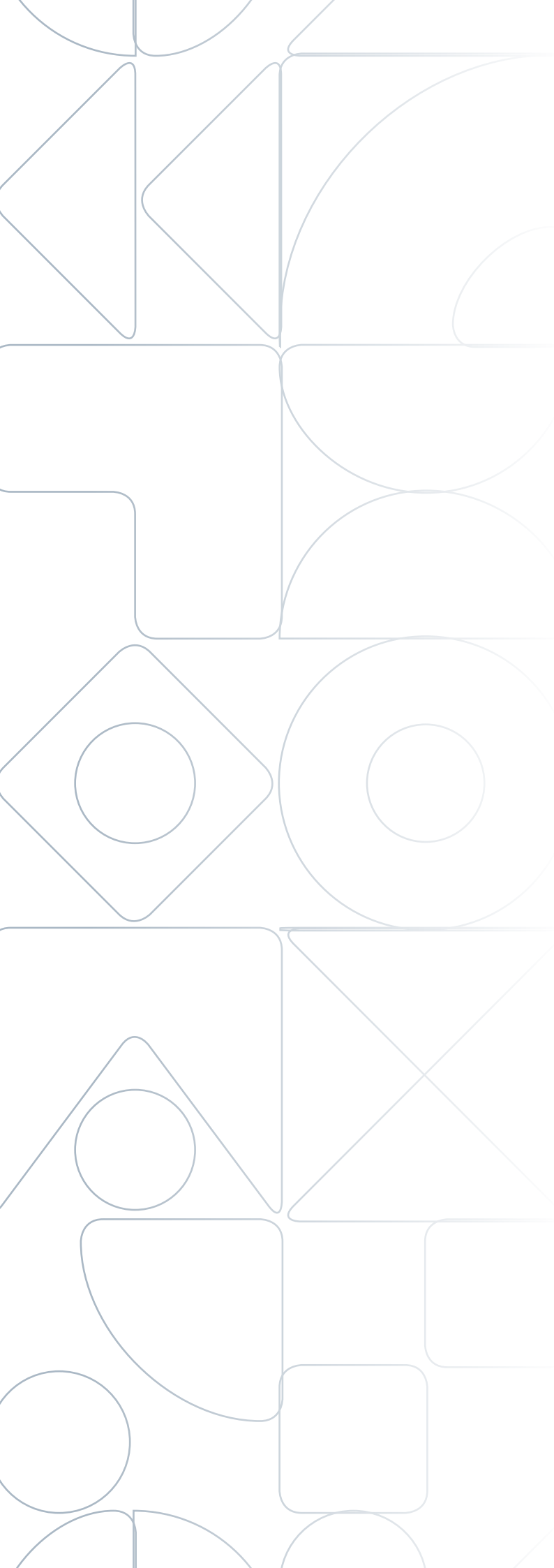
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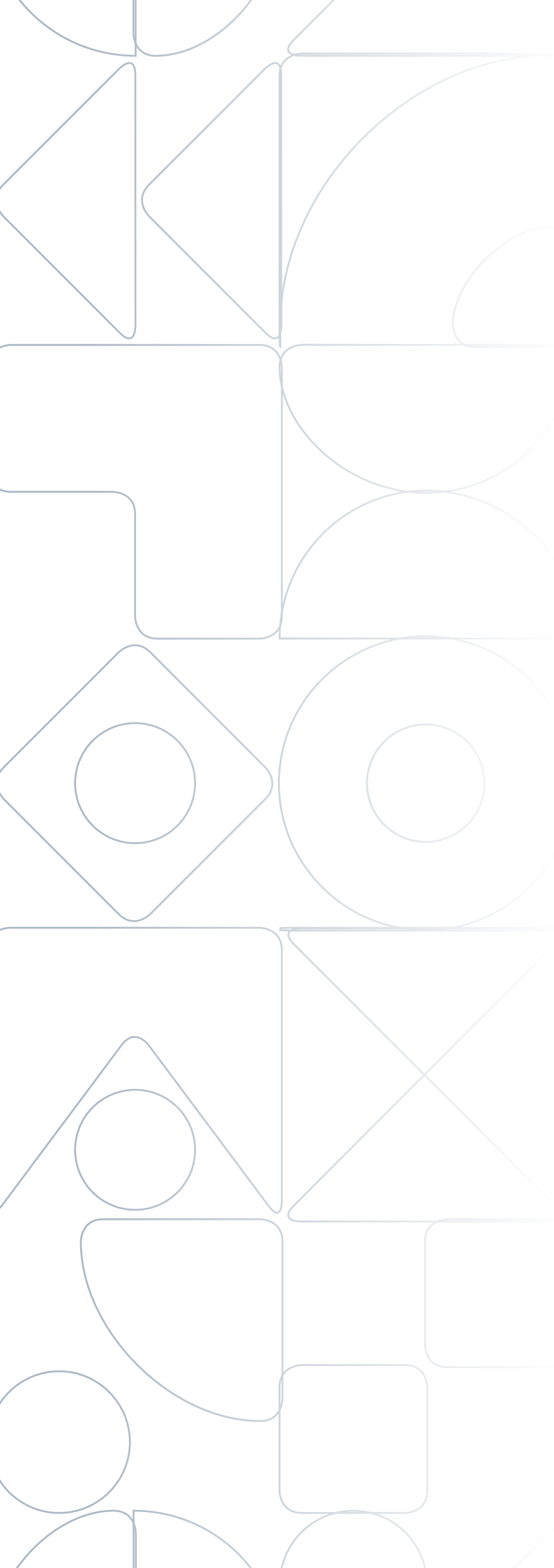
Jordan Loan Guarantee Corp.

29th Annual Report
For the Year Ended in
31st December 2022





His Majesty King
Abdullah II Ibn Al-Hussein





His Royal Highness Crown Prince
Hussein Bin Abdullah II

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Board of Directors
Declarations 2022

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 as at the end of 2022.

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



Dr. Adel Al Sharkas
Chairman of Board

Respected shareholders,

I am pleased to present to you the twenty-ninth annual report of Jordan Loan Guarantee Corporation for the year 2022, during which Jordan overcame the negative effects of the COVID-19 crisis and showed clear signs of recovery in most economic sectors. Despite the additional challenges posed by the Russian-Ukrainian war with the onset of recovery, mainly related to the rise in prices of energy and basic food commodities, the Jordanian economy achieved a growth of 2.7%, according to available preliminary data. In spite of all external shocks, the Central Bank was able to maintain monetary stability, which is the main pillar of the economic stability, through stabilizing the exchange rate and controlling the inflation rates recorded in the Kingdom during 2022 at a rate of 4.2%, which is much lower than the inflation rates recorded in other countries. Both developed and emerging economies.

During 2022, the Central Bank continued its work in managing monetary policy in a manner that balances between maintaining stability and supporting economic growth and employment through various financing

programs. As it continued to work on the National Program for Facing COVID-19, and continued to provide concessional financing through the advances program provided to various economic sectors. A financing program for micro projects was introduced during the year, which is being implemented for the first time through microfinance companies operating in the Kingdom that have been able to fulfill the regulatory and supervisory requirements specified in accordance with the instructions of the Central Bank. JLGC played a major role in the implementation of these programs by guaranteeing finances and facilitating access for the targeted sectors at affordable terms and costs.

Dear Shareholders,

By the end of the previous board of directors for 2018-2022, the General Assembly of the shareholders of JLGC elected a new board of directors for the next session on 3/24/2022, consisting of eleven members. The new board took upon itself the responsibility of continuing the work to achieve the strategic objectives of the company and so that its strategic plan for the coming years

reflect an expansion of the targeted growth in all aspects of the company's work. In order to provide all means of success for this expansion, the organizational structure was developed to achieve all objectives and to make adjustments to many jobs.

The Board of Directors adopted the implementation of a number of internal institutional initiatives, first is expanding the scope of existing programs and introducing new products that are in line with market needs and meet the institutional ambition and a gradual shift towards loan guarantee portfolios and raising the level of authorization, began implementing the digital transformation strategy, developing human resources, enhancing risk management and compliance control, and adopting an expanded program to reactivate awareness and institutional communication after the effects of the COVID-19 pandemic receded.

Dear Shareholders,

in 2022 JLGC played a major role in assisting micro, startups, SMEs and Jordanian exporters during the recovery phase from the pandemic through the National Program for Facing COVID-19, which was launched at the beginning of the crisis and continued in 2022.

as a continuation of the national program, the Micro financing program (corona) was launched in cooperation with the Central Bank of Jordan to provide guarantees for financing targeted groups of small and micro companies, micro-home projects, professionals, craftsmen, and self-employed individuals (according to the definition of the Central Bank), the program is being implemented through microfinance companies operating in the Kingdom and according to easy terms and costs, in order to help these groups, continue their business and cover their operational and capital expenses, especially with the various

economic challenges during the current stage, and with a guarantee rate of 85% of the loan balance or the financing granted.

At the beginning of the year 2022 and in light of the importance of supporting various economic sectors and enhancing finance opportunities during the economic recovery phase after the COVID-19 crisis, JLGC Board of Directors decided to raise the guarantee rate for loans and financing granted to the industrial and service sectors to 80% instead of the 70% previously applied. And extending the work at the reduced commission rate for the Industrial and Services Finance Program and all loans for startups loan guarantee program amounting to 0.75% for commercial banks and 0.425% for Islamic banks, in addition to expanding the acceptable financing goals for the guarantee to include working capital and all operating expenses.

The company has also reduced the level of commissions on the Export Credit Guarantee Program to the level allowed by the relative quota agreement to support the growth achieved during 2022 and expected in the coming years.

Dear Shareholders,

The set of policies and procedures taken by JLGC during 2022 had a noticeable impact and was reflected in the company's various performance indicators, as guarantees was provided to 2224 companies at a value of JOD 217 million during the year, and the number of outstanding secured loans at the end of the year reached 9213 loans at a value of JOD 502 million. JLGC cooperated with banks in scheduling the installments of more than 1,400 loans during the year to facilitate the terms of payment for companies that applied for it.

In particular, guarantees were provided to 336 startup projects with a value of JOD 15.7

million in 2022, and the company continued to provide guarantees to SMEs within the National Program for Facing COVID-19 in light of extending the work in the program by the Central Bank of Jordan until the end of April 2023, as 763 companies benefited from the program During 2022, with a financing value of JOD 132 million. The number of projects benefited from guarantees within the Microfinance loan program reached 372 projects, with a value of approximately JOD 3 million.

JLGC will continue expanding financing opportunities for MSMEs during 2023 by providing additional guarantees within its existing programs as well as introducing new programs to serve the national economy and emerging projects in the Kingdom.

As for the Export Credit Guarantee Program offered by JLGC to help Jordanian exporters increase the volume of their sales in foreign markets, whether existing or open new markets by protecting exporters against commercial risks such as bankruptcy or insolvency of the buyer and non-commercial risks related to political risks, the program has achieved a growth of 13%, and the value of secured shipments within the program increased to reach JOD 199 million, compared to JOD 176 million during 2021.

The guaranteed shipments were distributed to several sectors, the most important of which are mining, food, chemicals, textiles and clothing. The figures showed that the food sector achieved the largest growth by 42% compared to 2021. While the mining industries sector maintained the largest value of the total value of insured sales, reaching JOD 141.6 million, up by 6% from 2021.

JLGC Data indicate that the sales of Jordanian companies participating in the Export Credit Guarantee Program went to more than 40 countries, and were

concentrated in exports destined for Switzerland, Saudi Arabia, Egypt, Morocco and Singapore.

It is expected that the volume of work in the program will increase exceptionally during the coming period as it was adopted as one of the programs derived from the ministry of Industry and Trade support fund. The company expects to provide additional support to cover the credit expenses within the program, including the inquiry fees for about 45 Jordanian companies, including those managed or owned by women, with a ceiling of JOD 35 thousand per company annually for a period of 3 years.

In terms of financial performance, JLGC achieved a growth in its total revenues during the year 2022 by 7% compared to 2021, as these revenues reached a value of JOD 5.6 million during the year 2022 compared to a total revenue of JOD 5.2 million that had been achieved during the year 2021.

The growth recorded in the company's revenues came because to the significant growth recorded in the company's operating revenues, which increased from JOD 3,094 thousand during the year 2021 to JOD 3,104 thousand during the year 2022, while the company's investment revenues amounted to about JOD 1,761 thousand in 2022 compared to JOD 1,570 thousand for the year 2021.

As for the total shareholders' equity, it increased from JOD 38,360 thousand at the end of 2021 to reach JOD 39,511 thousand in 2022. While the company's assets as at the end of 2022 amounted to JOD 715 million, compared to JOD 798 million at the end of 2021.

According to the final financial statements, JLGC was able to achieve net profit after tax of JOD 1,151 thousand in 2022, compared to

JOD 1,130 thousand recorded in 2021.

In order to strengthening the company's capital base, the board of directors has recommended to the General Assembly not to distribute profits for the company's business results for the year 2022.

Dear Shareholders,

In this report, I do not fail to extend my sincere thanks to all those who contributed to achieving these results, led by our esteemed partners from the financing institutions and donors for their precious trust. Thanks are also extended to the Board of Directors of JLGC for their continuous support, who did not hesitate to provide advice, and harnessing their high expertise in serving the company and developing its capabilities. I also do not fail to extend my thanks to colleagues working in at JLGC, including executive management and employees, who worked as one family in order to develop the company's work and achieve the best results.

In conclusion, I wish God that the coming years will be full of more goodness, giving and prosperity for JLGC, and that it will achieve its aspirations, and that our country will have security and stability under its beloved King and beloved Crown Prince.

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

Chairman of Board

Dr. Adel Al Sharkas



Summary of JLG's Operational and Financial Results in 2022

01 >



Loan Guarantee Results

Total Guaranteed Loans 2022-2021

Loan Type	2022		2021	
	No.	Guaranteed value	No.	Guaranteed value
Productive Loans	576	20,041,024	417	12,886,849
Industrial Finance Loans	189	30,038,936	101	14,112,770
Startups Loans	348	13,714,961	283	10,378,778
Housing Loans	7	362,175	13	530,475
Covid-19 Microfinance Loans	373	2,540,223	0	0
National Program - Covid-19	800	119,029,931	1186	82,902,992
Total	2,293	185,727,250	2,000	120,811,864

Total Executed & In Process Guaranteed Loans in 2022

Loan Type	Executed		In process		Total	
	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value
Productive Loans	576	20,041,024	24	1,714,851	600	21,755,875
Industrial Finance Loans	189	30,038,936	36	7,603,200	225	37,642,136
Startups Loans	348	13,714,961	19	1,564,000	367	15,278,961
Housing Loans	7	362,175	0	0	7	362,175
Covid-19 Microfinance Loans	373	2,540,223	0	0	373	2,540,223
Covid-19 National Program	800	119,029,931	40	9,453,275	840	128,483,206
Total	2,293	185,727,250	119	20,335,326	2,412	206,062,576

Outstanding Guaranteed Loans Portfolio 2022 – 2021

Portfolio	2022		2021	
	No.	Guaranteed Value	No.	Guaranteed Value
Productive Loans	1,696	37,859,984	1,813	35,808,683
Industrial Finance Loans	442	54,412,887	343	36,401,187
Startups Loans	795	24,460,492	577	18,499,858
Housing Loans	682	12,204,473	813	13,850,763
Covid-19 Microfinance Loans	373	2,169,573	0	0
Covid-19 National Program	5,225	272,374,807	6,050	323,407,037
Total	9,213	403,482,216	9,596	427,967,528

Ceilings Granted to Banks and Utilized 2022 - 2021

Ceiling	2022		2021	
	Ceiling	Utilized	Ceiling	Utilized
Productive Loans	43,503,134	37,859,983	43,955,134	35,808,683
Housing Loans	18,828,507	12,204,472	20,999,395	13,850,763
Small Startups Loans	17,850,000	13,284,018	12,600,000	9,650,542
Renewable Energy	600,000	252,304	600,000	430,695
Business Vehicles	2,000,000	304,119	0	0
Total	82,781,641	63,904,896	78,154,529	59,740,683



Export Credit Guarantee Results

Guaranteed Shipments during 2022 - 2021

Shipments	2022		2021	
	No.	Guaranteed Value	No.	Guaranteed Value
Exports Shipments	2,070	198,831,968	2,421	176,984,408
Domestic Sales Shipments	1,566	1,071,201	4,189	2,165,034
Total	3,636	199,903,169	6,610	179,149,442

Guaranteed Shipments Portfolio 2022 - 2021

Portfolio	2022		2021	
	No.	Guaranteed Value	No.	Guaranteed Value
Exports Shipments	397	55,512,576	702	55,969,839
Domestic Sales Shipments	1,315	458,508	3,550	1,317,202
Total	1,712	55,971,084	4,252	57,287,041

Results of Claims, Claims Paid, Recoveries, Re-scheduling 2022 - 2021

Claims	2022	2021
Loan Guarantee Programs	1,214,220	2,090,236
Industrial Finance Programs	994,563	506,514
Covid-19 Programs	2,123,155	228,466
Export Credit and Domestic Sales Guarantee Program	405,559	14,757
Total	4,737,497	2,839,973

Claims Paid	2022	2021
Loan Guarantee Programs	1,113,194	1,536,870
Industrial Finance Programs	895,361	419,251
Covid-19 Programs	1,632,963	142,110
Export Credit and Domestic Sales Guarantee Program	47,161	0
Total	3,688,679	2,098,231

Re-scheduling	2022	2021
Loan Guarantee Programs	4,419,613	9,356,169
Industrial Finance Programs	7,204,910	6,830,260
Covid-19 Programs	23,942,312	1,812,598
Export Credit and Domestic Sales Guarantee Program	0	0
Total	35,566,835	17,999,027

Recoveries	2022	2021
Loan Guarantee Programs	526,837	478,516
Industrial Finance Programs	122,917	159,645
Covid-19 Programs	9,330	0
Export Credit and Domestic Sales Guarantee Program	0	0
Total	659,084	638,161



Summary of Financial Results

Revenues and Expenses	2022	2021
Operational Revenues	3,104,093	3,094,634
Investment Revenues	1,761,846	1,570,286
Other Revenues	717,132	554,156
Total Revenues	5,583,071	5,219,076
(Less) General and Administrative Expenses	2,033,700	1,778,912
Gross Profit / (Loss)	3,549,371	3,440,164
(less) Provisions and other fees	2,110,951	2,009,614
(less) income tax	287,893	300,417
Profit (loss)	1,150,527	1,130,133

Board of Directors Report





Board of Directors Report

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20 JLGC contracts, projects and engagements concluded with subsidiaries, sister companies or affiliates

21 JLGC contribution to Environmental Protection and Community Service

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 for 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 (%)
Productive Loans Guarantee Programs			
SMEs Loan Guarantees	250,000	72	70%
Micro Loan Guarantees	15,000	36	70%
**Industrial Loan Guarantees (EJADA)	3,000,000	96	80%
Leasing Guarantees (EJADA)	1,000,000	96	70%
"Kafala" Program- Islamic Financing (Industries & services)	3,000,000	96	80%
"Kafala" Program- Islamic Financing (Trade)	250,000	72	70%
Entrepreneurship Financing Program	75,000	96	80%
*Small Startups program	500,000	96	85%
Renewable Energy program	500 - 350,000	36 - 60	70%
National 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%

* The partial guarantee is effective in case the loan amount exceeds the maximum allowed

** Ceilings (max loan amount) effective on 1/1/2023

* Housing Loans Guarantee Programs			
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%

* The partial guarantee is effective in case the loan amount exceeds the maximum allowed

** Program not launched yet



Export Credit Guarantee Programs

JLGC provides guarantees for Jordanian exports against commercial and political risks and guarantees for domestic sales against the commercial risks of non-payment by the

foreign importers or local buyers for export shipments or local sales, according to the following programs:

	Max. Shipment Amount (\$)	Max. Payment Period (Month)	Guarantee Percentage (%)
Export Credit Guarantee Programs			
Export Credit Guarantees	26,000,000	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 (61) employees by the end of 2022.

C. Size of Capital Investment

Total size of Capital investment was JD 3,028,950 in 2022 in comparison with JD 2,993,346 in 2021.

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. Adel Ahmed Ismail Al Sharkas
Chairman
 Representative of the Central Bank of Jordan



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



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



Mr. Moh'd Mousa Dawood
Broad Member
 *Representative of Jordan Ahli Bank



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



Mr. Hussein Ahmad Raji Kofahi
Broad Member
 Representative of the Central Bank of Jordan



Ms. Maha Issa Al Abdallat
Broad Member
 Representative of the Central Bank of Jordan



Mr. Walid Muhi Eddin Al Samhouri
Board Member
 Representative of Arab Bank



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



Ms. Luma Ghaleb Abdallah
Independent Broad Member
 Representative of Social Security Corporation



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

H.E. Dr. Maher Khalil "Sheikh Hasan" chairman of the Board until 03/02/2022

*Dr. Ahmed Awad Abdel Halim Al-Hussein, Chief Executive Officer / General Manager of Jordan Ahli Bank, was appointed as a member JLGC Board of Directors as of February 1, 2023, to succeed Mr. Moh'd Mousa Dawood

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 since 3/2/2023

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
- Chairman of Jordan Mortgage Refinance Company (JMRC)

H.E.Dr. Maher Khalil Mohammad "Sheikh Hasan"

Representing the Central Bank of Jordan until 3/2/2022

Date 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
 - He has no other board memberships of public shareholding companies
-

Mr. Kamal Gharib Abdel-Rahim Al-Bakri - Vice Chairman

General Manager / Cairo Amman Bank

Date 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.Dr. Khaldoun Abd Allah Mahmoud AlWshah - Broad Member

Deputy Governor / Central Bank of Jordan as of 09/02/2022

Date 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
- He has no other board memberships of public shareholding companies

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

Chief Executive Officer / Bank al Etihad

Date 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
- Chief Executive Officer, Bank Al Etihad
- Strategic Development Advisor, 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 at Bank al Etihad in several positions: Manager of Corporate Banking
- Jordan Technology Group
- Najjar Group - Cairo
- Vice Chairman of the Board of Directors of Etihad Brokerage Company
- Vice Chairman of the Board of Directors of Etihad Leasing Company
- Vice Chairman of the Board of Directors of Etihad Financial Technology Company
- Board Member at Etihad Islamic Investment Company
- Board Member at Association of Banks in Jordan
- Chairman of Endeavor Jordan
- Board Member at Jordan Loan Guarantee Corp
- Board Member at Jordan Capital and Investment Fund

Mr. Moh'd Mousa Dawood - Broad Member

Executive Manager / Jordan Ahli Bank

Representing Jordan Ahli Bank as of 24/03/2022

Date of Birth: 01/02/1956

- Bachelor in Major Mathematics, Minor Business Administration / University of Jordan 1978

- CEO / General Manager of Jordan Ahli Bank since November 2015
- Executive Vice President - Jordan Country Manager (December 2012 – November 2015)
- Executive Vice President - Head of Libya project (September 2012 – November 2012)
- Head of Corporate and Investment Banking/ Jordan & Palestine (April 2009 – July 2012)
- Senior Vice President - Head of Credit/ Jordan & Palestine (August 2004 – March 2009)
- Several key positions at Arab Bank PLC and Arab National Bank (November 1978 – July 2004)
- Held several board memberships most importantly:
 - * Deputy Chairman of the Board of the Islamic International Arab Bank
 - * Deputy Chairman of the Board of Directors of the Arab National Leasing Company
 - * Board Member at the Arab Bank – Syria
 - * Board Member at the Jordan Mortgage Refinance Company
 - * Board Member at the Jordan Hotels and Tourism Company
 - * Board Member at the Association of Banks in Jordan
 - * Board Member at the Institute of Banking Studies
 - * Current board memberships:
 - * Chairman of the Board– Ahli FinTech
 - * Chairman of the Board – Ahli for Financial Leasing
 - * Board Member- Al Dawliah for Hotels and Malls PLC (Sheraton Hotel)
 - * Board Member- Arab International Company (Marriot Hotel)
 - * Board Member - Jordan Capital and Investment Fund
 - * Board Member – Jordan Payment and Clearing Systems company (JOPACC)
 - * Board Member - Jordan Loan Guarantee Corporation
 - * Board Member – Al-Ihterafieh for Real Estate Development Investment

Mr. Hussein Kofahi - Broad Member

Executive Manager of Banking Supervision / Central Bank of Jordan

Representing Central Bank of Jordan since 24/3/2022

Date of Birth: 04/01/1965

- Master's degree Banking and Financial Sciences / Arabic Institute of Banking Studies 1995
- Bachelor degree Accounting /Al Yarmouk University 1987
- Executive Manager /Banking Supervision 2022
- Consultant/Banking Supervision 2015 -2022
- Assistant Executive Manager/Banking Supervision 2009 – 2015
- Head of Examiners/Banking Supervision 2005 -2009
- Inspector and Chief Inspector / Banking Supervision 1990-2005
- Member of the Arab Committee on Banking Supervision /Arab Monetary Fund Since 2010
- Participates in many Committees within the Central Bank of Jordan
- He has no other board memberships of public shareholding companies

Ms. Maha Al Abdallat - Broad Member

Executive Director of the Supervision on Microfinance Companies and Credit Bureaus
Department / Central Bank of Jordan

Representing Central Bank of Jordan since 24/3/2022

Date of Birth: 01/03/1969

- Master of Business Administration (MBA) in Finance from the University of Jordan, 1996
- B.A in Banking and Finance from the Yarmouk University, 1991
- Executive Director of the Supervision on Microfinance Companies and Credit Bureaus Department at the Central Bank of Jordan since 2017
- Assistant Executive Director at the Banking Supervision Department, in the Central Bank of Jordan for the period (2013-2016)
- Head of Division at the Banking Supervision Department, in the Central Bank of Jordan for the period (2007-2012)
- A member in several committees at the Central Bank of Jordan
- A member in the Regional Task Force for Promoting Financial Inclusion in Arab Countries/ formed by the Arab Monetary Fund for the period (2013-2017)
- A member in the Arab Committee on Credit Information / formed by the Arab Monetary Fund since 2018
- Has represented the Central Bank of Jordan in various regional conferences
- Has participated in many specialized committees in relation to preparing regulatory legislations for the functions of banks, finance companies and credit bureaus
- Has partaken as an expert in several focused task forces formed in regards to finance prospects for women in the Economic Modernization Vision of the Hashemite Kingdom of Jordan
- She has no other board memberships of public shareholding companies

Mr. Walid Muhi Eddin Mohammad Al Samhouri - Board Member

Jordan Head / Arab Bank PLC

Date of Birth: 27/10/1962

- Master in Economics University of Jordan, Amman 1994
- Bachelor Degree in Economics, Statistics & Public Administration - University of Jordan, 1985
- Senior Vice President – Credit Management, Gulf, Egypt & Subsidiaries
- Corporate Credit Manager - Gulf, International branches & subsidiaries
- Corporate Credit Manager – South Africa and Lebanon
- Credit Monitoring Manager - Arab Bank (Global)
- Support and Research Manager / Corporate and Financial Institutions Sector
- Credit Official for lending states, governments, governmental and semi- governmental companies
- Several responsibilities in credit and banking and trade services – Jordan and Bahrain
- Chairman of Arab Sudanese Bank- Sudan
- Board Member at Arab Tunisian Bank
- Board Member - Arab Omani Bank

Ms. Rana Raymond Jamil Sawalha - Broad Member

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

Date 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 1-9/2019
- 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
- She has no other board memberships of public shareholding companies

Mohammad Adnan Madi - Board Member since 24/03/2022 until 13/04/2022

Representing Social Security Corporation

Date of Birth: 18/4/1971

- Master of Administrative Science/ Finance – 1998 University of Jordan
- Bachelor Degree in Accounting – 1992
- Yarmouk University – Jordan
- Manager of Equity Support Directorate – Social Security Investment Fund. (2019 – present)
- Manager of Internal Audit Unit - Social Security Investment Fund. (2003-2019)
- Senior Internal Auditor – Central Bank of Jordan. (1994-2003)
- Customer Relationship Officer – Arab Bank PLC. (1993)
- External Auditor – Delloitte & Touch – Jordan. (1992-1993)
- Board Member of the Arab Bank (2021- present)
- Board Member of the Housing Bank for Trade and Finance. (2020-2021)
- Board Member of the Jordan Kuwait Bank. (2016-2020)
- Board Member of the Capital Bank. (2011)
- Board Member of the Jordan Petroleum Refinery Company. (2010-2016)
- Chairman of the Board of Directors of Daman Investments Company. (2014-2016)
- Vice Chairman of the Board of the Jordan Petroleum Products Marketing Company. (2013-2016)
- Board Member of the National Jordanian Mineral Oils Industry. (2013-2016)
- Board Member of the Jordan Real Estate Development Company. (2006-2010)

Mrs. Luma Ghaleb - Broad Member

Head of the Institutional Performance Department at the Social Security Investment Fund

Representing Social Security Corporation since 13/4/2022

Date of Birth: 20/11/1982

- Secretary of the Social Security Funds Investment Council during the period 2011-2018
- Head of the Institutional Performance Department at the Social Security Investment Fund from 2018 to date
- Representation of the Social Security Corporation was in a number of companies, as follows:
 - The Jordanian Loan Guarantee Company during the period from 28/7/2016 to 22/4/2017
 - Al Daman Company for Financial Leasing during the period 4/23/2017 to 7/18/2020
 - The Jordanian Insurance Company for International Business from 7/19/2020 to 4/12/2022
- She has no other board memberships of public shareholding companies

H.E.Dr. Ibrahim Hasan Mustafa Saif - Independent Board Member

Date 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
- 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

Mr. Tawfiq Abdelqader Mohammad Mukahall - Board Member

Deputy General Manager - Jordan Kuwait Bank

Representing Jordan Kuwait Bank until 24/03/2022

Date 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 4/2021 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
-

Dr. Adnan Hasan Issa El Hindi - Independent Broad Member until 24/03/2022

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 Zaghloul - Independent Broad Member until 24/03/2022

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” Banna - Independent Broad Member until 24/03/2022

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 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

JLGC Board of Directors held 9 meetings during 2022

B. Executive Management



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



Mrs. Amal Mahmood Jaradat
Deputy Director General



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



Mr. Rami Awwad Samardali
Follow ups, Indemnifications & Recoveries Dept. Manager



Ms. Ahmad Hashim Beirqdar
Risk Management and Compliance Control Dept. Manager



Mr. "Muhammad Noor" Al Jabai
Support Dept. Manager



*** Mrs. Fatima Saeed Hamadan**
Export Credit Guarantee and Domestic Sales Dept. Acting Manager



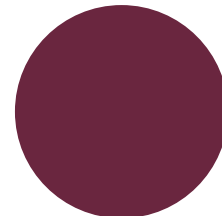
**** Mr. Mahmoud Al-Rbeihat**
Loan Guarantee Dept. Acting Manager



*****Mrs. Diana Aljariri Alhesan**
Credit Review Dept. Acting Manager



Mr. Saif Shibli Al Farah
Internal Audit Unit Manager



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

* Mrs. Fatima Saeed Hamdan; Export Credit Guarantee and Domestic Sales Dept. Acting Manager until 31/12/2022

** Mr. Mahmoud Ahmed Al-Rbeihat; Loan Guarantee Dept. Acting Manager until 31/12/2022

***Mrs. Diana Aljariri Alhesan; Credit Review Dept. Acting Manager since 01/10/2022 until 31/12/2022

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

Director General

Date of Birth: 28/10/1965

- 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 Broad 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)

Mrs. Amal Mahmood Ahmad Jaradat

Deputy Director General

Date of Birth: 04/10/1971

- Bachelor's Degree in Business Administration / University of Jordan 1993
- JLGC Deputy Director General since 1/1/2022
- JLGC Acting Deputy Director General since 6/7/2021 until 31/12/2021
- Director of the Export Credit Guarantee Department and Domestic Sales from 2017 - 7/2021
- Director of Industrial Finance and Services Dept. until 2017
- Project Manager of JLGC's project with the International Finance Corporation (IFC) until 2017
- Retail Credit Review Officer / Bank of Jordan 2006 – 2012
- Credit Analyst / Bank of Jordan 1998 -2006
- Advisory Board Member - a graduate of the second batch of GET ON BOARD
- Vice Chair of the Prague Club Committee - Berne Union since 2022
- Member of the Jordanian Business and Professional Women Forum
- Member of the Commission for the Empowerment of Arab Women
- SMEs Instructor at the Institute of Banking Studies – Jordan

Mr. Issa Ismail Murshed AlTarayrah

Manager of Finance Department

Date of birth: 17/09/1980

- 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

Follow ups, Indemnifications & Recoveries Dept. Manager

Date of Birth: 06/12/1978

- 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: 29/06/1981

- 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 / Investment Bank 2009-2012
 - Risk Management and Compliance Control Committee at JLGC
-

Mr. "Muhammad Noor" Al-Jabai

Manager of Support Department

Date of birth: 28/07/1979

- 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
-

Mrs. Fatima Saeed Hamdan

Acting Manager of Export Credit Guarantee and Domestic Sales Department

Date of Birth: 16/08/1984

- Bachelor of Risk and Insurance Management / Hashemite University 2006

Mr. Mahmoud Ahmed Al-Rbeihat

Acting Manager of Loan Guarantee Dept.

Date of Birth: 02/09/1983

- Master of Accounting / The World Islamic Sciences and Education University 2021
- Bachelor's degree in Administrative and Financial Sciences / Al-Ahliyya Amman University 2006

Mrs. Diana Aljariri Alhesan

Acting Manager of Credit Review Dept.

Date of Birth: 08/04/1984

- Bachelor's degree in Finance / University of Jordan 2006

Mr. Saif Shibli Al Farah

Internal Audit Unit Manager

Date of Birth 08/12/1976

- 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 JLG
- Internal Auditor / Specialized Investment Compounds 2013-2015
- Group Financial Controller / United Group Holding Company 2012-2013
- Financial Control and Operations Manager / Integrated Multi-Transport 2009-2011
- Senior Internal Auditor / Jordanian Equipment & Vehicles Company 2007-2009
- Chief Accountant / Logicem Jordan 2006
- Internal Auditor / Fine Paper Industries, 2003-2006

Mrs. Hanaa "Mohammed Mamdouh" Alshihabi

ISSF Monitoring Unit Manager

Date of birth 15/05/1970

- 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

	Number of Shares As at 31/12/2022	of Share %	Number of Shares As at 31/12/2021	of Share %
Central Bank of Jordan	13,122,250	45.12%	13,122,250	45.12%
Arab Bank	1,973,936	6.79%	1,973,936	6.79%
Cairo Amman Bank	1,934,874	6.65%	1,934,874	6.65%
Capital Bank	1,854,224	6.38%	1,054,979	3.63%
The Housing Bank	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. Accordingly, Competitive Position can't be specified.

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

A - 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.

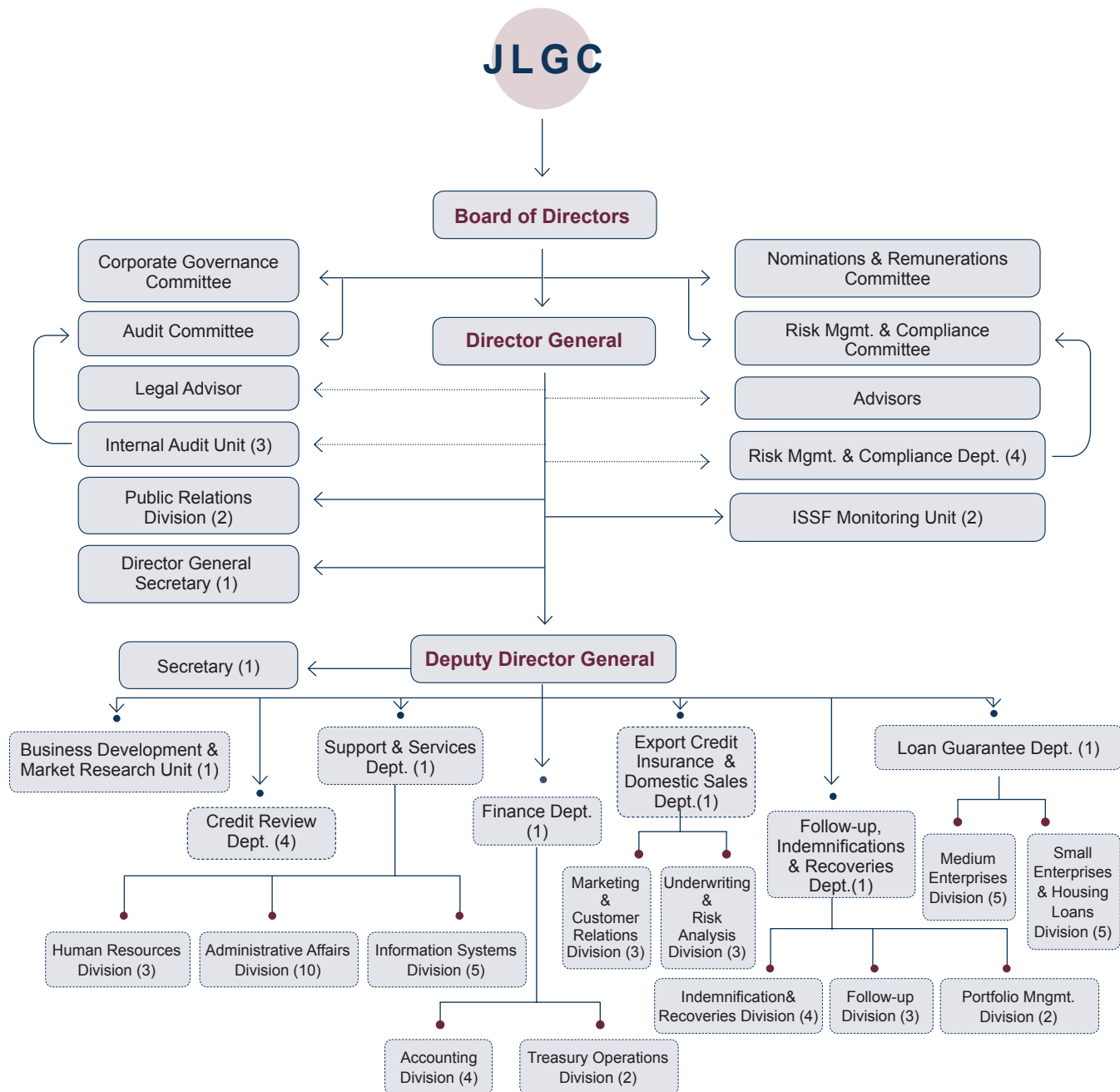
B - No Patents or Licensing Rights obtained by the JLGC in 2022.

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.

9. JLGC Organizational Structure, Number of employees and Employees Training

A- Organizational Structure as at the end of 2022



● Amended by Board of Directors Resolution No. 22/2022 dated 28/7/2022.

* Credit Review Department was created according to the Board of Directors resolution above, it is reporting to the Director General through the Deputy Director General and mainly carry out tasks related to loan guarantee operations, export credit guarantee, claims operations, including review of schedules for loans and supplying credit departments with a periodic evaluation for the observations made through the review.

● *Top Management Vacancies: (Advisors, Manager of Loan Guarantee Department, Manager of Export Credit Guarantee Department, Manager of Credit Review Department, Manager of Business Development and Market Research Unit)

B- Number of employees and qualifications in 2022

The Number of employees at the end of 2022 was 61 in comparison with 54 at the end of 2021, 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
2022	1	7	1	42	4	3	3	61

C- Employees Training in 2022

To improve JLGC staff qualifications, the employees participated in (78) internal training courses and (9) external training courses distributed as follows:

Internal Training Courses	
Training Courses	Number of employees
Credit Report CRIF	16
Digital Banks	9
Making Guarantee Schemes Work for Sustainable SME Finance in the Arab Region	9
Communication & Presentation skill	5
Strategic Plan Formulation & Implementation	5
Purchasing and Bid Management	4
XBRL (Jordan Securities Commission)	4
Flexible Planning With The M3Y3 Methodology	3
International MENA Guarantee Conference 2022	5
Administrative Development Skills	3
Credit Control and Non-Performing Loan Management	3
EBRD Green Economy Financing GEF	2
SQL Fundamentals	2
The Financial Technologies & Cyber Security Exhibition	2
The Future of Credit Guarantee Schemes in the Mediterranean: Opportunities for a Strengthened Role	2
Financial Inclusion Policies and Innovative MSME Financing in the South Med	2
Financial Analysis (Basic & Advanced)	2
Basel Committee Determinants & Risk Management	2
Credit Information Company Services	2
Strategies of Positive Thinking in Crises	2
International Financial Reporting Standard IFRS (9)	3
Relevance and possible strategic positioning of a Regional Counter Guarantee mechanism	2
Compliance With International Standards in the Field of Money Laundering and Terrorist Financing	2

Training Courses	Number of employees
Simplification and Digitalization of International Trade Procedures	2
European Sustainable Support Fund Plus	2
New Instructions in the Applications of Social Security and Labor Law	2
Risk Rating for Companies (Theory & Practice)	2
Nutanix Essentials	2
Greening CGIs in the MENA Region	2
The Data and Machine Learning Techniques in Credit Risk Management	2
The Unified Issuance of Small and Medium Enterprises and Impact on the Financial Statement in Jordan	2
Innovative Approaches for the Financial Inclusion of Micro, Small, and Medium Enterprises (MSMEs) in Jordan (I-FIN)	2
EMGN MED Cafe	1
Professional Diploma Specializing in Bank Credit	1
Cybersecurity Event "Always On Guard"	1
STS Cloud and Cybersecurity Solution for Banking & Insurance Sector	1
Time Management & Priorities	1
Regulatory Frameworks for Crowdfunding Platforms - Regional and International Experiences	1
Data Analysis using a Business Intelligence Program	1
Financing Formulas in Islamic Banks	1
Managing change for managers	1
The Art of Management Investigation	1
MS Excel 2016 (Basic & Advanced)	1
Training Plans Preparations	1
Secrets of Success and the Art of Etiquette in your professional path	2
Trade Funding in the Arab region, Reality and Challenges	2
Practical applications in labor legislation	1
Advanced Communication Skills	1
Business Process Management	1
Bank finance and credit risk analysis	1
Accounting, financial analysis, and cash flow analysis	1
Effective communication skills and techniques for managing time and work pressure effectively	1
Certified Ethical Hacker	1
Amendments to the Income Tax Law	1
The art of writing professional correspondence in Arabic and English	1
EMGN Steering Committee Meeting	1
Diploma The professional Specializing in Financial Analysis	1
Cyber Security and Banking Stability	1
Challenges Risk-Based Internal Audit	1
Credit Risk Measurement and Management	1

Training Courses		Number of employees
Financial Guidelines for Grant Agreements		1
Credit Risk Measurement and Management		1
Practical applications in human resource management		1
Management of Monitoring and Evaluation		1
Photography		1
Financial planning and forecasting		1
Arab Summit for Small and Medium Enterprises		1
Stress Management for Personal Resilience		1
Forum for Heads of Risk Management in Arab Banks		1
Aman Union Certificate in Trade Credit Insurance		1
The future and smart digital transformation in the training and institutional development sector		1
Administrative leadership - planning and organization		1
Tax declaration / electronic services/deductions / tax compliance		1

* The employee might be participating in more than one training course during the year

External Training Courses		Number of employees
Training Courses		Number of employees
Digital Transformation Specialists Meeting		3
EMGN Autumn Academy 2022		3
Basel IV (Finalizing the Global Regulatory Reforms)		2
SME Specialist Meeting		2
Spring Meeting Istanbul 2022		2
Joint meeting between JLGC and the Arab Investment and Export Credit Guarantee Corporation (DHAMAN), The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)		2
Berne Union Annual General Meeting 2022 hosted by ATI – Rwanda		2
Young Professionals Forum 2022		1
Prague Club Committee meeting		2

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.

Types of risks in terms of loan guarantees and export credit insurance as follows:

- 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 2022

1. In March 2022, the Central Bank of Jordan launched a financing program for microfinance companies, as The National Program for facing Covid-19 covers only SMES. This program aims to help micro-companies, professionals, craftsmen, and self-employed individuals (according to the definition of the Central Bank of Jordan) that were unable to benefit from the Central Bank's program implemented through banks to obtain financing at affordable costs and conditions from micro-companies. The Central Bank provided about JOD 21 million (USD 30 million) for microfinance from the loan provided to the Kingdom by the Arab Fund for Economic and Social Development amounting USD 100 million, and it was provided to companies qualified for the program without any interest. JLGC guarantees all the financing granted within the program with a rate of 85% of the financing value in exchange for a commission of 1% for loans granted on a commercial basis and 0.55% for financing granted by Islamic banks.
2. JLGC started the work with KFW Development Bank on "Guarantee for Employment" program, a jointly funded initiative that aims to connect loan guarantees with vacancies generated by SMEs and focusing on promoting financial inclusion for the projects outside governorate centers. The program expected to be launched during the last quarter of 2023.
3. During 2022 JLGC granted loans for about 2224 companies through various loan guarantee programs, with a value of JOD 217 million.
4. The number of outstanding executed loans reached 9213 at the end of 2022, with a value of JOD 502 million.
5. The number of projects that benefited from JLGC guarantees reached 372 projects within the micro projects program with a value of approximately JOD 3 million.
6. Guarantees provided to about 336 startups with a value of JOD 15,7 million during 2022.
7. In light of extending the work in National Program for facing Covid 19 by the Central Bank of Jordan until the end of April 2023, JLGC continues to guarantee SMEs. Around 763 companies benefited from the program during 2022 with a value of JOD 132 million.
8. The Export Credit Guarantee Program achieved 13% growth in the volume of the Export Credit Guarantee in 2022, and the value of guaranteed shipments within the program

increased to JOD 199 million, compared to JOD 176 million during 2021. The guaranteed shipments were distributed to several sectors, most importantly the Mining sector, food, chemicals, textiles and clothing.

9. The food industries sector achieved the largest growth by 42% compared to the same period in 2021. While the mining sector maintained the largest of the total value of insured sales, amounting JOD 141.6 million with 6% increase compared to the year 2021.
10. JLGC data indicates Jordanian sales participating in the Export Credit Guarantee Program exported to more than 40 countries especially for Switzerland, Saudi Arabia, Egypt, Morocco and Singapore.
11. JLGC signed 19 export policies with industrial companies within Export Credit Guarantee Program and 2 policies within the Domestic Sales Guarantee Program.
12. In 2022, JLGC paid around JOD 3.6 million to banks for non-performing loans, compared to JOD 2 million paid in 2021. The company paid JOD 47 thousand as compensation within the Export Credit Guarantee program during 2022 while no compensation paid to policyholders during 2021.
13. JLGC recovered about JOD 659 thousand from the banks during 2022 compared to JOD 638 thousand in 2021, while guaranteed loans were rescheduled in 2022 totaling JOD 35.5 million dinars compared to about JOD 18 million for rescheduled loans during the year 2022.
14. In Cooperation with banks, JLGC scheduled more than 1400 loans during 2022 to facilitate payment conditions and terms for companies applied for rescheduling.
15. JLGC signed many cooperation agreements with a number of strategic partners to develop SMEs and expanding the target sectors customer base, providing them with financing solutions with easy terms, in addition to providing banking services that meet their needs within short time, such as the fast-track agreement with Housing Bank.
16. JLGC participated in many Loan Guarantee and Export Credit Guarantee meetings and workshops locally, regionally and internationally.
17. JLGC achieved a growth in its total revenues during 2022 by 7% compared to 2021, as these revenues amounted to JOD 5,583 thousand during 2022 compared to total revenues amounting to JOD 5,217 thousand achieved during 2021.
18. The growth recorded in JLGC revenues came because of the significant growth recorded in the company is operating revenues, which increased from JOD 3,094 thousand during 2021 to JOD 3,104 thousand during 2022, while the investment revenues of the company amounted about JOD 1,762 thousand in 2022 compared to JOD 1,570 thousand in 2021.
19. Total shareholders' equity increased from JOD 38.4 million at the end of 2021 to reach about JOD 39.5 million in 2022. While JLGC assets amounted to JOD 715 million as at the end of 2022 compared to JOD 798 million at the end of 2021.
20. According to the final statements, JLGC was able to achieve net profits after tax of JOD 1,151 thousand in 2022, compared to JOD 1,130 thousand recorded in 2021.

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 2022, 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
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
2021	1,485,550	0	38,359,751	1
2022	1,493,420	0	39,149,751	1

* None

14- Analysis of JLGC Financial Position and the Results of its Activities during 2022

Ratio	2022	2021	2020	2019	2018
Earnings per Share (JD)	0.040	0.039	0.022	0.036	0.024
Return on Investment	0.16%	0.142%	0.083%	0.230%	0.286%
Return on Shareholder's Equity	2.91%	2.946%	1.733%	2.852%	1.960%
Return on Paid Up Capital	3.96%	3.886%	2.180%	3.587%	2.397%
Ownership Ratio	5.53%	4.803%	4.769%	8.062%	14.595%
Fixed Assets / Shareholder's Equity	7.67%	7.803%	8.147%	8.458%	8.986%
Rate of Indebtedness	1.30%	1.198%	1.057%	0.865%	1.309%
Liabilities to Total Assets	94.47%	95.197%	95.231%	91.938%	85.405%
Liabilities to Shareholder's Equity	1708.39%	1982%	1997%	1140%	585%
Current Liabilities/ Shareholder's Equity	30.7%	24.938%	22.165%	10.725%	8.969%
Revenue / Total Assets	0.78%	0.654%	0.575%	0.904%	1.478%
Circulation Ratio	2.86%	1358%	1265%	2062%	2202%
Working Capital (JD)	22,655,929	120,332,783	96,126,193	76,953,816	67,032,302

15- JLGC's Future Development plans

In line with the company strategy, development and innovation plans, JLGC intends to achieve the following goals and initiatives in 2023:

1. Creating supportive programs for financing start-ups and MSMEs and developing its existing programs and introducing new programs and products such as green financing guarantee programs and guarantee for employment that meet the desired growth in JLGC's portfolios, ensuring the achievement of a high-quality guaranteed portfolio at all programs levels and within the acceptable risk levels for the company.
2. It is expected that considering Export Credit Guarantee Program as one of the programs derived from the Ministry of Industry and Trade supporting fund will increase the volume of work during 2023. By providing support to more than 45 Jordanian companies, including those managed by women, with a ceiling up to JOD 35 thousand for each company annually.
3. Targeting new vital productive sectors in for export credit guarantee, such as services, medicines, food, plastics, fertilizers and chemicals benefiting from the Central Bank's advance program to support national exports and the Ministry of Industry and Trade support fund. This will enhance marketing activity, promote export guarantee programs, and support exporters by providing the needed awareness and training by highlighting the advantages of the services provided. Moreover, encouraging exporters to guarantee their exports through JLGC by accessing new markets and expand the existing ones.
4. Continuing to collaborate with international donors to improve JLGC's operational capabilities, human and technological resources, develop joint ventures, and exchange local and international experiences in the field of export credit and loan guarantees in a way that gives the company the chance to learn about the best global experiences and practices aimed at growing its business.
5. Continuing to highlight JLGC image as a supporter for startups, MSMEs and Jordanian exports by strengthening the partnership with the Chambers of Industry and Commerce, the Jordanian Exporters Association, the Jordan Enterprise Development Corporation (JEDCO), Jordan Exports company, and organizations to serve the export sector in the Kingdom.
6. hosting many international and local events and conferences and participating in specialized exhibitions to improve communication and highlight the importance of the Loan Guarantee and Export Credit Programs and the important role that JLGC plays in front of its main shareholders and partners. In particular, JLGC will host the Annual General Meeting of Berne Union, which includes in its membership a group of the world's largest export credit guarantee institutions.
7. Developing the work environment and its attractiveness and strengthen the link between JLGC's corporate image and the institutional progress and the improvement of JLGC's human and intellectual resources.
8. Complete the implementation of the digital transformation strategy in all internal operations of JLGC, including the human resources system, and complete the electronic link system with financing institutions, partners and Jordanian exporters.

9. Developing human resources and increase performance efficiency and productivity through specialized professional programs to enhance employees' capabilities and skills, and participating in training opportunities locally and internationally, in addition to stimulating an excellence environment and boosting competition between employees.
10. Adopting the business continuity and disaster recovery plan and examining it for all JLGC's activities and operations, and conducting the necessary checks and tests on a regular basis for the cyber security system.
11. Improving communication and cooperation with various media outlets to enhance JLGC's corporate image, and to highlight its role in community service.
12. Developing JLGC's website and media platforms to highlight the corporate image, increase the use of smart applications and social networking sites, and provide valuable content and information to SMEs owners and Jordanian exporters in the Kingdom.
13. During 2023, JLGC will increase the efforts in social responsibility and to supporting activities and initiatives to empower women and environmental institutions, supporting activities in the educational, cultural and social fields, and supporting charitable, social, sports, and economic institutions, bodies and associations.
14. Despite the appearance of the economic recovery indicators in 2022, the consequences of external shocks still making it hard to predict the effects of external factors or even to construct any estimates for a year, but JLGC will be working in a flexible manner that responds to all external developments to develop its programs and tools to achieve its institutional and national goals.

16- Auditing Fees

The total amount of auditing fees paid to the "Arab Professionals" at the end of both years 2021 and 2022 was JD 14,500 including 16% sales tax.

17- The number of securities owned

A- The number of securities owned by the Board of Directors.

- None of the members of JLGC's Board of Directors own any securities issued by JLGC.
- None of the relatives of JLGC's Board of Directors own any securities issued by JLGC.
- All of JLGC's Board of Directors are Jordanians.
- No companies controlled by the members of JLGC's Board of Directors or their relatives

Board Members	31/12/2022	
	Board Members	Number of Shares
	Dr. Adel Al Sharkas	
Central Bank of Jordan	Dr. Khaldoun Al Wshah	13,122,250
	Ms. Maha Issa Alabdallat	
	Mr. Hussein Raji Kofahi	
Arab Bank PLC	Mr. Walid Al Samhour	1,973,936
Cairo Amman Bank	Mr. Kamal Gharib Al Bakri	1,934,874
The Housing Bank for Trade & Finance	Ms. Rana Sawalha	1,657,100
Bank Al Etihad	Mrs. Nadia Al Saeed	1,334,868
Jordan Ahli Bank	Mr. Mohammad Mousa Dawood	1,101,934
Social Security Corporation	Mrs. Luma Ghaleb	524,000
Dr. Ibrahim Saif (Independent member)	Dr. Ibrahim Saif	5,000

Board Members	31/12/2021	
	Board Members	Number of Shares
	Dr. Maher "Sheikh Hasan"	13,122,250
Central Bank of Jordan	Dr. Khaldoun Al Wshah	
Arab Bank PLC	Mr. Walid Al Samhour	1,973,936
Cairo Amman Bank	Mr. Kamal Gharib Al Bakri	1,934,874
The Housing Bank for Trade & Finance	Ms. Rana Sawalha	1,657,100
Bank Al Etihad	Mrs. Nadia Al Saeed	1,324,873
Jordan Kuwait Bank	Mr. Tawfiq Al Mukahl	865,258
Amman Chamber of Commerce (Independent member)	Mr. Khattab Al Banna	200,000
Dr. Ismail Zaghoul (Independent member)	Dr. Ismail Zaghoul	5,000
Dr. Ibrahim Saif (Independent member)	Dr. Ibrahim Hasan Mustafa Saif	5,000
Dr. Adnan Al Hindi (Independent member)	Dr. Adnan Hasan Issa Al Hindi	5,000

B - The number of securities owned by the Executive Management

- None of the members of JLGC's Executive Management own any securities issued by JLGC.
- None of the relatives of JLGC's Executive Management own any securities issued by JLGC.

- All of JLGC's Executive Management are Jordanians.
- No companies controlled by the members of JLGC's Executive Management or their relatives.

18- Benefits and remunerations of the Board of Directors, and Executive Management

Total amounts paid as benefits and remunerations to the Board of Directors was JD 123,600 in 2022 compared to JD 123,400 in 2021.

Board Member	Title	Bonus	Transportation Allowance	Travel Allowance	Committee Allowance	Total
H.E.Dr. Adel Al Sharkas	Chairman	5000	5500	0	0	10500
Mr. Kamal Gharib Al Bakri	Vice Chairman	5000	6000	0	0	11000
Dr. Khaldoun Abdullah Al Wshah	Member	5000	6000	0	400	11400
Mr. Walid Muhi Eddin Al Samhour	Member	5000	6000	0	400	11400
The Housing Bank for Trade & Finance	Member	5000	6000	0	400	11400
H.E.Mrs. Nadia Hilmi Hafez Al Saeed	Member	5000	6000	0	0	11000
Mr. Tawfiq Abdul Qader Al Mukahl	Member	1111	1500	0	0	2611
H.E.Dr. Ismail Sa'eed Zain Zaghloul	Member	1111	1500	0	400	3011
H.E.Dr. Ibrahim Hasan Mustafa Saif	Member	5000	6000	0	0	11000
Dr. Adnan Hasan Issa Al Hindi	Member	1111	1500	0	0	2611
Social Security Corporation	Member	3889	4500	0	200	8589
H.E Dr. Maher Khalil "Sheikh Hasan"	Former Chairman	0	500	0	0	500
Ms. Maha Issa Hamdan Al abdallat	Member	3889	4500	0	0	8389
Mr. Mohammad Mousa Dawood	Member	3889	4500	0	0	8389
Mr. Hussein Ahmad Raji Kofahi	Member	3889	4500	0	400	8789
Amman Chamber of Commerce	Member	1111	1500	0	400	3011
Total		55,000	66,000	0	2,600	123,600

The salaries and privileges paid for the executive management in 2022 amounted JD 597,592 in comparison with JD 644,613 during 2021.

Name	Title	Annual Salaries	*Bonus	Travel Allowance	Committee Allowance	*** BOD Allowance	Total
H.E.Dr. Mohammed Al Ja'fari	**Director General	194,284	64,200	12,624	-	-	271,109
Mrs. Amal Jaradat	Deputy Director General	56,000	10,700	5,531	-	-	72,231
Mr. Issa Al Tarayra	Finance Dept Manager	35,280	6,815	2,039	-	3,450	47,584
Mr. Rami Samardali	Indemnification & Follow up Dept. Manager	32,192	4,224	434	-	-	36,850
Mr. Ahmad Beirqdar	Risk Management and Compliance Control Dept. Manager	36,000	4,700	1,992	-	-	42,692
Mr. Mohammad Noor Aljbie	Support Services Dept. Manager since 19/9/2021	40,000	7,700	1,768	-	-	49,468
Mr. Saif Al Farah	Internal Audit Unit Manager	29,568	3,896	-	-	-	33,464
Mrs. Hanaa Alshihabi	****ISSF Monitoring Unit Manager	43,992	200	-	-	-	44,192
Total		467,316	102,435	24,391	-	3,450	597,592

*Annual bonuses at the beginning of 2023

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

**** BOD Secretary Allowance.

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

19. Donations and Grants made by JLGC

No donations or grants paid during 2022.

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.

JLGC celebrated the 76th Jordanian Independence Day and displayed the Jordanian flag and the independence flag on the company's building.





Operational Finance Performance

03

Loan Guarantee Program

1. Loan Guarantees Ceilings Utilization 2022 - 2021

Ceilings	2022			2021			Change	
	Ceiling	Utilized	% Utilized	ceiling	Utilized	% Utilized	Ceiling	Utilized
Productive Loans (Small Enterprises)	43,503,134	37,859,983	87%	43,955,134	35,808,683	81%	-1.03%	5.728%
Housing Loans	18,828,507	12,204,473	65%	20,999,395	13,850,763	66%	-10.34%	-11.886%
Startups Program	17,850,000	13,284,018	74%	12,600,000	9,650,542	77%	41.67%	37.650%
Renewable Energy program	600,000	252,304	42%	600,000	430,695	72%	0%	-41.419%
Business Vehicles Program	2,000,000	304,119	15%	0	0	0	100%	100%
Total	82,781,641	63,904,896	77.2%	78,154,529	59,740,683	76.44%	5.92%	6.97%

2. Guaranteed Executed Loans according to program type 2022 - 2021

Programs	2022		2021		Change (JD)		Change (%)	
	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value
Small Enterprises Loans								
SMEs Loans	555	19,515,893	417	12,886,849	138	6,629,044	33.09%	51.44%
Business Loans	21	525,131	0	0	21	525,131	100%	100%
Total	576	20,041,024	417	12,886,849	159	7,154,175	38.13%	55.52%
Industrial Finance Loans								
Kafalah	125	16,792,445	69	5,945,240	56	10,847,205	81.2%	182%
Industrial Finance	53	12,957,531	29	8,031,331	24	4,926,200	82.8%	61%
Startups	348	13,714,961	283	10,378,778	65	3,336,183	23%	32%
Renewable Energy	0	0	3	136,199	-3	-136,199	-100%	-100%
Business Vehicles	11	288,960	0	0	11	288,960	100%	100%
Total	537	43,753,897	384	24,491,548	153	19,262,349	39.8%	78.6%
Microfinance Corona								
Microfinance Corona	373	2,540,223	0	0	373	2,540,223	100%	100%
Total	373	2,540,223	0	0	373	2,540,223	100%	100%
National Program to encounter Covid-19								
Corona – Commercial	774	114,782,736	1097	75,078,141	-323	39,704,595	-29%	52.88%
Corona – Islamic	26	4,247,195	89	7,824,850	-63	-3,577,655	-71%	-45.72%
Total	800	119,029,931	1,186	82,902,992	-386	36,126,940	-32.5%	43.6%
Total Productive Loans	2,286	185,365,075	1,987	120,281,388	299	65,083,687	15%	54%
Housing Loans								
Total Housing Loans	7	362,175	13	530,475	-6	-168,300	-46.2%	-31.7%
All Programs	2,293	185,727,250	2,000	120,811,863	293	64,915,387	14.65%	54%

3- Outstanding Loan Guaranteed Portfolio 2022 - 2021

Programs	2022		2021		Change (JD)		Change (%)	
	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value
Small Enterprises Loans								
SMEs Loans	1,071	20,829,540	1069	18,971,568	2	1,857,972	0.19%	9.79%
Kafalah	536	15,460,063	642	15,508,604	(106)	(48,541)	-16.51%	-0.31%
Entrepreneurship	36	815,222	43	977,377	(7)	(162,155)	16.28-%	-16.59%
Business Loan	51	755,146	47	335,947	4	419,199	8.51%	124.78%
Micro Loans	1	13	9	13,420	(8)	(13,407)	-88.89%	-99.9%
Pharmacies Loans	1	-	3	1,768	(2)	(1,768)	-66.67%	-100%
Total	1,696	37,859,984	1,813	35,808,683	-117	2,051,301	6.45-%	5.73%
Industrial Finance Loans								
Kafalah	267	28,068,250	205	17,725,329	62	10,342,921	30.24%	58.35%
Industrial Finance	151	25,322,586	120	17,438,217	31	7,884,369	25.83%	45.21%
Startups	795	24,460,492	577	18,499,858	218	5,960,634	37.78%	32.22%
Leasing	6	465,627	9	806,943	-3	(341,316)	-33.33%	-42.30%
Renewable Energy Program	7	252,304	9	430,695	-2	(178,391)	-22.22%	-41.42%
Business Vehicles	11	304,119	0	-	11	304,119	100%	100%
Total	1,237	78,873,379	920	54,901,045	317	23,972,337	34.46%	43.66%
National Program to encounter Covid-19								
Corona – Commercial	4,274	246,364,523	4,630	261,798,049	(356)	(15,433,526)	-7.7%	-5.9
Corona – Islamic	951	26,010,283	1,420	61,608,987	(469)	(35,598,705)	-33%	-57.8%
Total	5,225	272,374,807	6,050	323,407,037	-825	-51,032,231	-13.6%	-15.8%
Microfinance Corona								
Microfinance Corona	373	2,169,573	0	0	373	2,169,573	100%	100%
Total	373	2,169,573	0	0	373	2,169,573	100%	100%
Total Productive Loans	8,531	391,277,743	8783	414,116,765	-252	-22,839,022	-2.87%	-5.52%
Housing Loans								
Housing Loans	677	12,170,575	807	13,799,180	-130	-1,628,605	-16.11%	-11.80%
Land Purchase Loans	4	26,281	5	43,313	-1	-17032.267	-20%	-39.32%
Urban Development Loans	1	7,617	1	8,269	0	-652.69	0%	-7.89%
Total housing loans	682	12,204,473	813	13,850,763	-131	-1,646,290	-16.11%	-11.89%
All Programs	9,213	403,482,214	9,596	427,967,524	-383	-24,485,310	-3.99%	-5.72%

4. Outstanding Loan Guaranteed Portfolio distribution according to Major Cities in 2022

City	Productive Loans		Housing Loans		Industrial Finance Loans		National Program to encounter Covid-19		Corona Microfinance		TOTAL	
	#	Guaranteed Amounts	#	Guaranteed Amounts	#	Guaranteed Amounts	#	Guaranteed Amounts	#	Guaranteed Amounts	#	Guaranteed Amounts
Amman	1,009	25,834,572	548	10,499,041	674	52,788,944	3965	228,882,973	88	494,289	6284	318,499,819
Balqa	61	1,124,012	17	175,826	31	1,687,375	138	4,971,677	31	217,553	278	8,176,443
Irbid	227	3,876,076	32	472,641	193	8,074,289	423	14,127,884	72	368,355	947	26,919,245
Kerak	121	1,848,338	11	84,183	64	1,712,915	51	1,246,617	52	337,641	299	5,229,694
Ma'an	27	461,652	2	13,556	37	3,616,146	95	1,070,554	23	166,260	184	5,328,168
Tafileh	32	401,288	4	24,589	30	1,404,600	13	121,813	20	101,012	99	2,053,302
Zarqa	120	2,299,218	26	355,318	75	4,028,476	275	10,325,867	36	198,296	532	17,207,175
Mafraq	15	299,201	5	103,830	41	1,622,437	49	3,295,881	8	41,754	118	5,363,103
Madaba	14	311,238	10	144,984	18	913,569	59	4,469,117	6	49,083	107	5,887,991
Jerash	13	231,793	6	43,544	18	874,274	34	275,574	15	102,738	86	1,527,923
Ajloun	8	138,328	1	41,620	18	331,780	10	62,297	11	48,739	48	622,764
Aqaba	49	1,034,268	20	245,341	38	1,818,574	113	3,524,552	11	43,854	231	6,666,589
Total	1,696	37,859,984	682	12,204,473	1,237	78,873,379	5,225	272,374,806	373	2,169,574	9,213	403,482,216

Export Credit Guarantee Programs

1- Guaranteed Contracts in 2022 and 2021

Program	Number		Value (JD)	
	2022	2021	2022	2021
Export Credit Guarantee	44	37	311,499,080	227,798,825
Domestic Sales Credit Guarantee	4	7	688,199	1,692,849
TOTAL	48	44	312,287,279	229,491,674

2- Guaranteed Shipments in 2022 and 2021

Program	Number		Value (JD)		Guaranteed Value (JD)	
	2022	2021	2022	2021	2022	2021
Export Credit Guarantee	2,070	2,421	201,760,360	191,779,877	198,831,968	176,984,408
Domestic Sales Credit Guarantee	1,566	4,189	1,731,484	2,621,327	1,071,201	2,165,034
TOTAL	3,636	6,610	203,491,844	194,401,204	199,903,169	179,149,442

Sector	2022	2021
Fertilizers	72%	71%
Food	21%	16%
Chemicals	1%	6%
Textile & Clothing	1%	0.4%
Others	2%	1.6%
TOTAL	100%	100%

Area	2022	2021
Middle East & Gulf	42%	30%
Europe	28%	16%
Africa	14%	26%
Far East	11%	21%
USA & Canada	4%	3%
Others	1%	4%
TOTAL	100%	100%

3- Outstanding Guaranteed Shipments Portfolio in 2022 and 2021

Program	Number of Shipments		Guaranteed Value (JD)	
	2022	2021	2022	2021
Export Credit Guarantee	397	702	55,512,576	55,969,839
Domestic Sales Credit Guarantee	1,315	3,550	458,508	1,317,202
Total	1,712	4,252	55,971,084	57,287,041

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

- By Program

Loan Type	Claims	Claims Paid	Recoveries	Re-scheduling
SMEs	1,116,956	1,018,099	317,107	3,908,942
Financial Leasing	23,648	23,224	0	93,217
Housing	97,264	95,095	209,730	510,670
Industrial Finance	141,025	139,937	88,686	4,403,542
Startups	822,066	724,220	34,232	2,231,258
Kafalah (Islamic Finance)	7,825	7,980	0	476,894
Corona (Commercial)	1,935,821	1,492,534	9,330	22,758,184
Corona (Islamic)	187,333	140,430	0	1,184,129
Export Credit Guarantee Program	405,559	47,161	0	0
Total	4,737,497	3,688,680	659,085	35,566,836

- By Major Cities

City	Claims	Claims Paid	Recoveries	Re-scheduling
Amman	3,391,585	2,695,939	487,288	26,464,306
Balqa	23,540	23,449	26,995	533,792
Irbid	262,537	318,736	49,962	3,282,153
Kerak	15,387	15,358	15,157	455,911
Ma'an	196,289	167,042	3,441	1,854,662
Tafileh	28,774	21,249	1,383	16,220
Zarqa	149,414	171,965	66,193	1,313,901
Mafrq	112,185	101,995	0	218,446
Madaba	103,101	82,471	4,513	70,349
Jeresh	26,892	22,494	0	323,262
Ajloun	0	0	0	100,642
Aqaba	22,234	20,821	4,152	933,193
*TOTAL	4,331,938	3,641,518	659,085	35,566,835

* Export Credit Guarantee program not included.

Delayed Payments Analysis of Guaranteed Loans 2022

Category	Delay Days	Payments (Overdue (JD	Guaranteed (Balance (JD	Payments Overdue/ Balance of Outstanding Loans	Guaranteed Balance /Outstanding Guaranteed Portfolio
Productive Loans / SMEs Delays					
Early Warning	Days 60-90	153,752	803,776	0.26%	2.12%
Below Average	Days 91-180	237,244	965,402	0.41%	2.55%
Doubtful	Days 181-359	573,240	1,068,441	0.98%	2.82%
Bad	Over 360 Days	2,771,456	2,642,225	4.74%	6.98%
Balance of Outstanding Loans		58,524,019			
Outstanding Guaranteed Portfolio		37,859,984			
Industrial Finance Loans Delays					
Early Warning	Days 60-90	96,976	864,612	0.12%	1.59%
Below Average	Days 91-180	348,933	1,092,496	0.45%	2.01%
Doubtful	Days 181-359	458,497	886,693	0.59%	1.63%
Bad	Over 360 Days	1,115,162	430,179	1.42%	0.79%
Balance of Outstanding Loans		78,340,532			
Outstanding Guaranteed Portfolio		54,412,886			
Startups Loans Delays					
Early Warning	Days 60-90	32,499	355,866	0.11%	1.45%

Category	Delay Days	Payments (Overdue (JD	Guaranteed (Balance (JD	Payments Overdue/ Balance of Outstanding Loans	Guaranteed Balance /Outstanding Guaranteed Portfolio
Below Average	Days 91-180	311,730	1,316,299	1.09%	5.38%
Doubtful	Days 181-359	509,685	685,129	1.79%	2.80%
Bad	Over 360 Days	477,955	489,102	1.68%	2%
Balance of Outstanding Loans		28,500,149			
Outstanding Guaranteed Portfolio		24,460,492			
Housing Loans Delays					
Early Warning	Days 60-90	24,758	411,388	0.14%	3.37%
Below Average	Days 91-180	40,073	566,400	0.23%	4.64%
Doubtful	Days 181-359	448,257	256,194	2.59%	2.10%
Bad	Over 360 Days	47,079	74,565	0.27%	0.61%
Balance of Outstanding Loans		17,287,492			
Outstanding Guaranteed Portfolio		12,204,473			
National Program to encounter Covid-19 Delays					
Early Warning	Days 60-90	871,255	5,248,709	0.27%	1.93%
Below Average	Days 91-180	901,725	3,401,250	0.28%	1.25%
Doubtful	Days 181-359	2,715,576	3,624,533	0.86%	1.33%
Bad	Over 360 Days	1,155,477	1,349,178	0.36%	0.50%
Balance of Outstanding Loans		317,318,416			
Outstanding Guaranteed Portfolio		272,374,806			
Corona Microfinance Delays					
Early Warning	Days 60-90	0	0	0%	0%
Below Average	Days 91-180	133	2,497	0.01%	0.12%
Doubtful	Days 181-359	101	1,735	0%	0.08%
Bad	Over 360 Days	0	0	0%	0%
Balance of Outstanding Loans		2,495,109			
Outstanding Guaranteed Portfolio		2,169,573			
All Guaranteed Loans Delays					
Early Warning	Days 60-90	1,179,240	7,684,351	0.23%	1.90%
Below Average	Days 91-180	1,839,838	7,344,345	0.37%	1.82%
Doubtful	Days 181-359	4,705,357	6,522,725	0.94%	1.62%
Bad	Over 360 Days	5,567,130	4,985,249	1.11%	1.24%
Balance of Outstanding Loans		502,465,717			
Outstanding Guaranteed Portfolio		403,482,215			

Financial Performance 2022

- Operational Revenues 2022 - 2021

Operational Revenues	JD		
	2022	2021	Change
Productive Loans / SMEs fees	800,826	848,730	(47,905)
Industrial Finance and financial leasing fees	429,262	375,913	53,349
Startups Loans fees	210,497	177,866	32,631
Housing Loan Guarantee fees	139,676	165,989	(26,313)
National Loan Guarantee Program –Corona fees	1,120,036	1,128,358	(8,322)
Export Credit Guarantee and domestic sales fees	392,169	397,778	(5,608)
Microfinance Corona fees	11,627	0	11,627
Total Operational Revenues	3,104,093	3,094,634	9,459

- Investment Revenues 2022 - 2021

Investment Revenues	JD		
	2022	2021	Change
Interest rate on bank deposits	1,443,235	1,370,457	72,778
Dividends income	90,000	0	90,000
Bonds interest income	228,611	199,829	28,782
Total Investment Revenues	1,761,846	1,570,286	191,560

- Total Realized Revenues in 2022 - 2021

Revenues	JD		
	2022	2021	Change
Operational Revenues	3,104,093	3,094,634	9,459
Investment Revenues	1,761,846	1,570,286	191,560
Other Revenues	717,132	551,586	165,546
Total Realized Revenues	5,583,071	5,216,506	366,565

General & Administrative Expenses 2022 - 2021

Expenses	JD		
	2022	2021	Change
Salaries and wages	1,272,448	1,174,848	97,600
JLGC's contribution in saving fund	100,318	91,255	9,063
JLGC's contribution in social security	122,899	113,599	9,300
Official duties abroad	12,625	8,705	3,920
Training courses	42,024	9,060	32,964
Water & Electricity	27,740	25,727	2,013
Post & Telephone	6,516	5,878	638
Depreciation	69,353	72,870	(3,517)
Marketing expenses	29,048	16,205	12,843
Professional fees	53,550	26,674	26,876
Maintenance	42,673	41,980	693
Vehicle expenses	10,182	5,986	4,196
Subscriptions & Fees	91,387	74,587	16,800
Stationary and printings	14,340	13,842	498
Hosting	8,153	4,080	4,073
Board of Directors' Transportation	72,050	71,400	650
Building Security	10,872	8,034	2,838
File archiving expenses	25,300	0	25,300
Other expenses	22,222	14,182	8,040
Total	2,033,700	1,778,912	254,788

A man in a dark suit and tie is shaking hands with another person whose hand is visible. The background is a city skyline at dusk or night. The image is overlaid with a semi-transparent dark red filter and geometric shapes like circles and squares.

JLGC Activities and Agreements in 2022

04 >

JLGC and Jordan Chamber of Commerce Workshop for Educational Sector



In cooperation with the Jordan Chamber of Commerce, JLGC held an introductory workshop for some educational institutions and nurseries to explain JLGC programs and its importance for SMEs, the advantages provided to the commercial and service sectors, and the mechanism of benefiting from the programs, especially the National Program for Facing Covid 19, which was launched in cooperation with the Central Bank of Jordan at the beginning of the crisis in 2020, to serve the educational sector by granting the necessary finance to various educational institutions with a ceiling up to JOD 750 thousand, and with a guarantee rate of 85 % to help these institutions to cover their financial needs, operational expenses and working capital, and to help in maintaining its business, pay salaries, continue its activities and provide its services during the crisis.

JLGC signed Export Credit Insurance Agreement with Al Mu'een

JLGC Director General, Dr. Mohammed Al-Ja'fari, and Al-Mu'een Founder Mrs. Nivin Al-Shawabkeh signed export credit guarantee agreement according to which export sales are insured, and estimated at \$ 3 million with a coverage rate of 90%.



The signing of the agreement reinforces JLGC's continued provision of the necessary insurance coverage for national exports through the Export Credit Guarantee Program.

JLGC hosted a delegation from Yemen Loan Guarantee Program (YLG)



JLGC hosted a delegation from Yemen Loan Guarantee Program (YLG) headed by YLG Deputy Managing Director; Mrs. Omnia Al-Haddad.

The visit aimed to introduce JLGC programs, work mechanism and relationship with the shareholders.

YLG team also reviewed the Guarantee Programs and cooperation agreements with the participating banks and microfinance institutions, as well as the strategies used in guarantee funds, risk management, audit reports, corporate governance, digital systems and others. JLGC arranged meetings for the YLG delegation with some financial institutions from the banking and microfinance sector in Jordan, such as Ahli Microfinance Company, Microfund for Women, the Islamic International Arab Bank and the Housing Bank for Trade and Finance.

At the end of the exposure visit, the two parties exchanged souvenirs and Mrs. Omnia Al-Haddad presented a shield of thanks and gratitude to Dr. Mohammed Al-Ja'fari; Director General of JLGC as an appreciation to JLGC's efforts to make the visit successful.

JLGC Chairman Honors Former Board Members

Under the patronage of His Excellency Governor of the Central Bank of Jordan, the Chairman of JLGC Board of Directors, Dr. Adel Al Sharkas, and on the sidelines of JLGC Board of Directors meeting, H.E honored a number of former board members as an appreciation to their contribution in JLGC success during their membership in 2018-2022. Among them are Mr. Tawfiq Mukahal; representative of Jordan Kuwait Bank, Mr. Khatlab Al Banna; representative of Amman Chamber of Commerce, Dr. Adnan Al Hindi and H.E.Dr. Ismail Zaghloul. The ceremony was held at the Central Bank of Jordan in the presence of the current Board of Directors and Mr. Khalil Al-Hajj Tawfiq, Chairman of Amman Chamber of Commerce. During the ceremony, Mr. Khalil Al-Hajj Tawfiq, Chairman of Amman Chamber of Commerce, presented a shield of thanks and gratitude to H.E Governor of the Central Bank and JLGC



Director General, H.E Dr. Mohammed Al-Ja’fari, to express his appreciation to CBJ and JLGC for their effective role in supporting traders and industrialists; members of the chamber.

H.E Dr. Al Sharkas expressed his gratitude to the former members and presented them some corporate gifts wishing them health and wellness.

JLGC Participation in the Annual AECM Event



JLGC Director General; H.E.Dr. Mohammed Al Ja’fari attended the annual event of the European Association of Guarantee Institutions AECM, that was held in Vienna, Austria entitled with “Promoting Structural Change for a New Sustainable Europe - Guarantees with a Focus on Start-ups”.

The conference shed the light on SMEs including SMEs sustainability, the main challenges and opportunities for innovative SMEs & start-ups.

H.E.Dr. Al Ja’fari spoke at one of the conference sessions in his function as Coordinator of the Global Network of Guarantee Institutions (GNGI) entitled:

“The Right Transformation Strategy for Guarantee Institutions”.

Jordan Loan Guarantee presented the benefits of the Export Credit Guarantee Program



JLGC presented a summary of the Export Credit Guarantee Program derived from the Industry Support Fund managed by the Ministry of Industry and Trade during the meeting held at Amman Chamber of Industry to introduce the Industry Support Fund.

JLGC is one of the Companies participating in the work of the Jordanian Industry Support Fund, and it manages the export credit guarantee program.

JLGC also presented the mechanisms of benefit from the fund and the Export Credit Guarantee program, which aims to encourage Jordanian exports and national products by providing guarantees against the risks of buyers not paying the price of goods resulting from commercial and non-commercial risks, expanding their exports in their current markets and entering new ones.

It is noteworthy that the program targets all exporters, including first-time exporters, and there will be a focus on medium and small companies. To take advantage of the benefits of the program.

The program covers commercial risks, represented by the buyer's failure to pay the price of the goods, the buyer's bankruptcy, and refusal to receive the shipped goods. It also covers non-commercial risks, represented by government restrictions on currency conversion, any government procedures or decisions that stops the buyer from receiving the goods, wars and civil disorders. It is considered the safe way to increase the volume of exports and access new markets, by providing credit information on existing and potential importers, preparing an assessment of creditworthiness of importers, direct cooperation with exporters to enter new markets, and benefiting from the support provided by the program to reduce the costs of benefiting from its multiple advantages.

Supporting by %75 will be provided for export credit guarantee costs, particularly small and medium ones. In addition to the possibility of benefiting large companies that employ more than 250 workers with support up to 50% and a support ceiling set for one company within this framework.

The program annual ceiling is 35 thousand dinars, and that the Jordanian exporters will be able, thanks to the availability of the guarantee, to increase its exports to the countries with which it deals and access new markets by granting payment facilities to meet the competition between exporters in various countries of the world, without the need to open a documentary credit or pay in advance, In addition to discounting the guarantee policy at a local commercial bank, and obtaining the value of its exports on appropriate terms thanks to the availability of the guarantee and without reference to it in the event of non-payment by the importer.

Jordan Loan Guarantee signs a “Fast Track Guarantee Agreement” with the Housing Bank to support small and medium enterprises



The Jordan Loan Guarantee Company and the Housing Bank signed a “risk guarantee agreement for loans to small and medium enterprises” at the headquarters of the bank’s general administration building in Shmeisani.

The agreement was signed by the Director General of the Jordan Loan Guarantee Company, His Excellency Dr. Muhammad Al-Jaafari, and the CEO of the Housing Bank, Ammar Al-Safadi, in the presence of a number of senior employees from both sides.

The agreement aims to cover the risks of small and medium-sized companies’ loans from Housing Bank clients and grant them declining loans with a maximum limit of 200,000 dinars for up to 24 months to finance their purchases, so that these loans are granted and disbursed within a maximum period of 3 working days.

The signing of this agreement comes within the framework of the company and the bank’s interest in developing the business of medium and small companies, expanding the sector’s growing customer base, providing them with financing solutions on easy terms, in addition to providing banking services that meet their needs within the least standard time, especially since the agreement aims to guarantee the risks of non-payment of loans and financing. Granted by the Housing Bank to the emerging, small and medium companies sector, it will improve the level of financing services provided to this sector and work to develop its performance to meet

the challenges it faces. The “Fast Track” guarantee program targets the customer segment of small and medium-sized companies whose sales volume does not exceed 5 million dinars from customers listed within the commercial, industrial and service sectors. It will have a major role in creating new job opportunities and reducing the crises of poverty and unemployment in order to achieve economic development, as the Housing Bank is keen to support this vital sector by launching financing products and banking services that meet its needs, which contributes to its recovery and prosperity.

The signing of the agreement complements the company’s role in facilitating financing, expanding job opportunities, and contributing to advancing economic development by stimulating lending within this program to finance working capital, financing purchases of customers from the small and medium-sized companies segment, or raising their production efficiency, so that the Jordan Loan Guarantee Company guarantees loans. Submitted to this segment in accordance with the provisions of this agreement and its appendices.

A person is shown from the chest up, wearing a VR headset. The background is a dark, futuristic digital environment with glowing lines and shapes. The text is overlaid on the left side of the image. The overall color palette is dark purple and blue.

Guidance to Governance and Information Management and Associated Technology

05

Disclosure of the Guidance to Governance and Information Management and Associated Technology:

- The company is committed to publishing an updated copy of the Guidance to Governance and Information Management and the Associated Technology on the company's website
- The company is obligated to disclose in the company's annual report the existence of the Guidance to Governance and Information Management and the Associated Technology, and committed to the information it contains.

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

**JLGC Corporate Governance Report
2022**

06



JLGC Corporate Governance Report 2022

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.

1. Until the General Assembly Meeting on 24/03/2022:

- **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

2. as of 24/03/2022 a new board was elected on the General Assembly Meeting:

- **The Central Bank of Jordan (4 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 Ahli Bank:** Non-executive and non-independent
- **H.E. Dr. Ibarhim Saif:** Non-executive and independent
- **Social Security Corporation:** 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:

H.E.Dr. Adel Ahmed Ismail Al Sharkas: Non-Executive and non-independent Member

Governor of the Central Bank of Jordan as of 03/02/2022

Date of Birth: 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 “Sheikh Hasan”: Non-Executive and non-independent Member

Representative of the Central Bank of Jordan until 03/02/2022

Year of Birth: 1970

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

Mr. Kamal Al-Bakri: 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 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 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 Samhour: 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. Moh'd Mousa Dawood: Non-executive and non-independent Member

Representing Jordan Ahli Bank as of 24/03/2022

Year of Birth: 1956

- Bachelors in Major Mathematics, Minor Business Administration / University of Jordan 1978
- CEO | General Manager of Jordan Ahli Bank (November 2015 – present)
- Executive Vice President - Jordan Country Manager (December 2012 – November 2015)
- Executive Vice President - Head of Libya project (September 2012 – November 2012)
- Head of Corporate and Investment Banking/ Jordan & Palestine – (April 2009 – July 2012)
- Senior Vice President - Head of Credit/ Jordan & Palestine (August 2004 – March 2009)
- Several key positions within Arab Bank PLC and Arab National Bank (November 1978 – July 2004)
- Most important previous board memberships:
 - Deputy Chairman of the Board of the International Islamic Arab Bank
 - Deputy Chairman of the Board of Directors of the Arab National Leasing Company
 - Board Member at the Arab Bank – Syria
 - Board Member at the Jordan Mortgage Refinance Company

- Board Member at the Jordan Hotels and Tourism Company
- Member of the Association of Banks' Board of Directors
- Board Member of the Institute of Banking Studies
- Current board memberships:
- Chairman of the Board– Ahli FinTech
- Chairman of the Board – Ahli for Financial Leasing
- Board Member- AIDawlah for Hotels and Malls PLC (Sheraton Hotel)
- Board Member- Arab International Company (Marriot Hotel)
- Board Member - Jordan Capital and Investment Fund
- Board Member – Jordan Payment and Clearing Systems company (JOPACC)
- Board Member - Jordan Loan Guarantee Corporation
- Board Member – Al-Ihterafieh for Real Estate Development Investment

Mr. Hussein Kofahi - Non-executive and non-independent Member

Representing Central Bank of Jordan

Year of Birth: 1965

- Master's degree Banking and Financial Sciences / Arabic Institute of Banking Studies 1995
- Bachelor degree Accounting /Al Yarmouk University 1987
- Executive Manager /Banking Supervision 2022
- Consultant/Banking Supervision 2015 -2022
- Assistant Executive Manager/Banking Supervision 2009 – 2015
- Head of Examiners/Banking Supervision 2005 -2009
- Inspector and Chief Inspector / Banking Supervision 1990-2005
- Member of the Arab Committee on Banking Supervision /Arab Monetary Fund Since 2010
- Participates in many Committees within the Central Bank of Jordan
- He has no other board memberships of public shareholding companies

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

Ms. Maha Al Abdallat - Non-executive and non-independent Member

Representing Central Bank of Jordan

Year of Birth: 1969

- Master of Business Administration (MBA) in Finance from the University of Jordan, 1996.
- B.A in Banking and Finance from the Yarmouk University, 1991.
- Executive Director of the Supervision on Microfinance Companies and Credit Bureaus Department at the Central Bank of Jordan since 2017.
- Assistant Executive Director at the Banking Supervision Department, in the Central Bank of Jordan for the period (2013-2016)
- Head of Division at the Banking Supervision Department, in the Central Bank of Jordan for the period (2007-2012)
- A member in several committees at the Central Bank of Jordan
- A member in the Regional Task Force for Promoting Financial Inclusion in Arab Countries/ formed by the Arab Monetary Fund for the period (2013-2017)
- A member in the Arab Committee on Credit Information / formed by the Arab Monetary Fund since 2018
- Has represented the Central Bank of Jordan in various regional conferences
- Has participated in many specialized committees in relation to preparing regulatory legislations for the functions of banks, finance companies and credit bureaus
- Has partaken as an expert in several focused task forces formed in regards to finance prospects for women in the Economic Modernization Vision of the Hashemite Kingdom of Jordan
- She has no other board memberships of public shareholding companies

Mr. Mohammad Madi - Non-executive and non-independent Member

Representing Social Security Corporation since 24/03/2022 to 13/04/2022

Year of Birth: 1971

- Master of Administrative Science/ Finance – 1998 University of Jordan
- Bachelor Degree in Accounting – 1992 Yarmouk University – Jordan
- Manager of Equity Support Directorate – Social Security Investment Fund. (2019 – present)
- Manager of Internal Audit Unit - Social Security Investment Fund. (2003-2019)
- Senior Internal Auditor – Central Bank of Jordan. (1994-2003)
- Customer Relationship Officer – Arab Bank PLC. (1993)
- External Auditor – Deloitte & Touch – Jordan. (1992-1993)
- Board Member of the Arab Bank (2021- present)
- A former board member of several companies and a member of a number of committees emanating from the board, including the Housing Bank for Trade and Finance, Jordan Kuwait Bank, Capital Bank, the Jordan Petroleum Refinery Company, Daman Investments Company, the Jordan Petroleum Products Marketing Company, the Jordanian Company for the Manufacturing of Mineral Oils Industry, Jordan Real Estate Development Company

Ms. Luma Ghaleb - Non-executive and non-independent Member

Representing Social Security Corporation as of 13/04/2022

Year of Birth: 1982

- Secretary of the Social Security Funds Investment Council during the period 2011-2018
- Head of the Institutional Performance Department at the Social Security Investment Fund from 2018 to date
- Representation of the Social Security Corporation was in a number of companies, as follows:
 - The Jordanian Loan Guarantee Company during the period from 28/7/2016 to 22/4/2017
 - Al Daman Company for Financial Leasing during the period 4/23/2017 to 7/18/2020
 - The Jordanian Insurance Company for International Business during the period 7/19/2020 to 4/12/2022
- She has no other board memberships of public shareholding companies

Mr. Khatab Banna: Non-executive and Independent Member

Representative of Amman Chamber of Commerce until 24/03/2022

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. Tawfiq Al Mukahall: Non-executive and non-independent Member

Representative of Jordan Kuwait Bank until 24/03/2022

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

Dr. Adnan El-Hindi until 24/03/2022: 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 until 24/03/2022: 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. Issa Al Tarayra

Secretary of JLG 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
- **Mrs. Amal Jaradat**; Deputy Director General
- **Mr. Issa Ismail Al Tarayra**; Finance Dept. Manager
- **Mr. Mahmoud Al Rbeihat**; Loan Guarantee Dept. Acting Manager
- **Mr. Ahmad Hashem Beirqdar**; Risk Management and Compliance Dept
- **Mrs. Diana Al Jariri Al Hesani**; Credit Review Dept. Acting Manager
- **Mrs. Fatima Hamdan**; Export Credit and Domestic Sales Dept. Acting Manager
- **Mr. Rami Al Samardali**; Follow ups, Indemnifications & Recoveries Dept. Manager
- **Muhammad Nour Mahmoud Al-Jabai**; Support Dept. Manager
- **Mrs. Hanaa "Mohammed Mamdouh" Al Shihabi**; Manager of the ISSF Monitoring Unit
- **Mr. Saif Al Farah**; Internal Audit Unit Manager

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

- Mentioned in item (C) Above.

F - Name of the Corporate Governance Officer in the company

- Mr. Saif Shibli Al Farah – 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 Mr. Hussein Kofahy and the membership of Mr. Walid Al Samhuri, Ms. Luma Ghaleb and Ms. Rana Sawalha.
- 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.
- The committee was chaired by H.E Dr. Ismail Zaghoul and the membership of Dr. Khaldoun AlWshah and Mr. Khattab Al Banna until 24/03/2022.

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 Dr. Khaldoun AlWshah and the membership of Mr. Moh'd Mousa Dawood and Mr. Walid Al Samhuri.
- **Corporate Governance Committee:** Chaired by H.E Dr. Ibarhim Saif and the membership of Mr. Kamal Al Bakri and Ms. Maha Al Abdallat.
- **Risk Management Committee:** Chaired by H.E Mrs. Nadia Al Sa'eed and the membership of H.E Dr. Ibarhim Saif, Mr. Moh'd Mousa Dawood, Ms. Maha Al Abdallat and H.E Dr. Mohammed Al Ja'fari.

The Committees until 24/03/2022 were as follows:

- **Nomination and Remuneration Committee:** Chaired by H.E Dr. Ismail Zaghloul and the membership of H.E Dr. Ibarhim Saif and Mr. Walid Al Samhour.
- **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:** seven meetings were attended by all members of the committee except the seventh meeting Ms. Rana Sawalha was absent (justified).
- **Risk Management Committee:** two meetings were attended by all members.
- **Nomination and Remuneration Committee:** four meetings attended by all members.
- **Corporate Governance Committee:** two meetings attended by all members.

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 06/02/2022.

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

- The Board members met 9 times during 2022

Name	Meeting 1	Meeting 2	Meeting 3	Meeting 4	Meeting 5	Meeting 6	Meeting 7	Meeting 8	Meeting 9
Dr. Adel Al Sharkas	Present	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Kamal Al Bakri	Present	Present	Present	Present	Present	Present	Present	Present	Present
Mrs. Nadia Al Sa'eed	Present	Present	Present	Present	Present	Present	Absent/Justified	Absent/Justified	Present
Dr. Ibrahim Saif	Present	Present	Present	Present	Present	Present	Present	Present	Present
Dr. Khaldoun Alwshah	Present	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Waleed Al Samhour	Present	Present	Present	Present	Present	Present	Present	Absent/Justified	Present
Ms. Rana Sawalha	Present	Present	Present	Present	Present	Present	Present	Present	Present
* Mr. Tawfiq Mukahall	Present	Present	-	-	-	-	-	-	-
* Dr. Ismail Zaghlol	Present	Present	-	-	-	-	-	-	-
* Dr. Adnan El Hindi	Present	Present	-	-	-	-	-	-	-
* Mr. Khattab Al Banna	Present	Present	-	-	-	-	-	-	-
** Mr. Moh'd Mousa Dawood	-	-	Present	Present	Present	Absent/Justified	Present	Present	Present
** Mr. Hussein Kofahy	-	-	Present	Present	Present	Present	Present	Present	Present
** Ms. Maha Al Abdallat	-	-	Present	Present	Present	Present	Present	Present	Present
** Ms. Luma Ghaleb	-	-	Present	Present	Present	Present	Present	Present	Present

* until 24/03/2022

** as of 24/03/2022

Dr. Adel Al Sharkas

Chairman of the Board



Financial Statements & Auditors Report

31st December 2022

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Jordan Loan Guarantee Corp.

Public Shareholding Company

Financial Statements

31 December 2022

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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 2022, 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 2022, 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 2022 financial assets totaling JOD (39,633,846), 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 2022 provisions against loan guarantee totaling JOD (90,744,560) 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 2022 deferred tax assets totaling JOD (986,828) 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**

Jordan Loan Guarantee Corp maintains for the year ended 31 December 2022 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.

12 February 2023

Amman – Jordan



Jordan Loan Guarantee Corp.
Public Shareholding Company

Statement of Financial Position As at 31 December 2022
(In Jordanian Dinar)

	Notes	2022	2021
Assets			
Cash and cash equivalents	4	20,481,811	2,652,036
Deposits at banks	5	12,389,666	31,100,948
Restricted bank deposits	12-18	106,965,982	93,258,922
Restricted financial assets measured at amortized cost	12-18	561,071,650	661,517,442
Financial assets measured at fair value through other comprehensive income	6	1,165,788	1,165,443
Financial assets measured at amortized cost	7	6,470,502	3,482,746
Receivables and other current assets	8	1,946,366	1,721,700
Deferred tax assets	9	986,828	690,580
Property and equipment	10	3,028,950	2,993,346
Total Assets		<u>714,507,543</u>	<u>798,583,163</u>
Liabilities and Equity			
Liabilities			
Provisions against loans guarantee	11	90,744,560	74,770,366
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
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	68,521,158	69,478,308
Payables and other current liabilities	19	8,856,232	9,156,165
Income tax provision	9	466,515	410,101
Total Liabilities		<u>674,996,937</u>	<u>760,223,412</u>
Equity			
Paid in capital	21	29,080,310	29,080,310
Statutory reserve		2,235,402	2,086,060
Voluntary reserve		2,204,824	2,204,824
Fair value adjustments		478,263	477,935
Retained earnings		<u>5,511,807</u>	<u>4,510,622</u>
Total Equity		<u>39,510,606</u>	<u>38,359,751</u>
Total Liabilities and Equity		<u>714,507,543</u>	<u>798,583,163</u>

“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 2022
(In Jordanian Dinar)

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
Revenues			
Interest income		1,443,235	1,370,457
Bonds interest income		228,611	199,829
Commissions on guaranteed loans		940,502	1,014,719
Commissions on guaranteed exports and domestic buyers		392,169	397,778
Commissions on guaranteed industrial loans and financial leasing		639,759	553,779
Commissions on guaranteed loans of the national program for facing COVID-19 pandemic		1,131,663	1,128,358
Dividends income		90,000	-
Commissions against managing Central Bank of Jordan loans provisions	11	630,590	547,477
Unneeded provision for lawsuits		70,466	-
Unneeded (provision) for expected credit loss for deposits and bonds		11,644	(2,570)
Other revenues		4,432	6,679
Total Revenues		<u>5,583,071</u>	<u>5,216,506</u>
Deduct :			
Administrative expenses	22	2,033,700	1,778,912
Provisions against loans guarantees	11	1,985,394	1,903,156
Provision against end of service indemnity		70,557	48,888
Board of directors' remunerations		55,000	55,000
Total Expenses		<u>4,144,651</u>	<u>3,785,956</u>
Profit for the year before tax		1,438,420	1,430,550
Income and National Contribution tax expenses for the year	9	(287,893)	(300,417)
Profit for the year		<u>1,150,527</u>	<u>1,130,133</u>
Basic and diluted earnings per share	23	<u>0.040</u>	<u>0.039</u>

“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 2022
(In Jordanian Dinar)

	<u>2022</u>	<u>2021</u>
Profit for the year	1,150,527	1,130,133
Other comprehensive income items		
Changes in fair value of financial assets through other comprehensive income	328	6,471
Total comprehensive income for the year	<u>1,150,855</u>	<u>1,136,604</u>

“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 2022
(In Jordanian Dinar)

	Paid in capital	Reserves		Fair value adjustments	Retained* earnings	Total
		Statutory	Voluntary			
Balance at 1 January 2022	29,080,310	2,086,060	2,204,824	477,935	4,510,622	38,359,751
Total comprehensive income for the year	-	-	-	328	1,150,527	1,150,855
Statutory reserve	-	149,342	-	-	(149,342)	-
Balance at 31 December 2022	<u>29,080,310</u>	<u>2,235,402</u>	<u>2,204,824</u>	<u>478,263</u>	<u>5,511,807</u>	<u>39,510,606</u>
Balance at 1 January 2021	29,080,310	1,937,505	2,204,824	471,464	3,529,044	37,223,147
Total comprehensive income for the year	-	-	-	6,471	1,130,133	1,136,604
Statutory reserve	-	148,555	-	-	(148,555)	-
Balance at 31 December 2021	<u>29,080,310</u>	<u>2,086,060</u>	<u>2,204,824</u>	<u>477,935</u>	<u>4,510,622</u>	<u>38,359,751</u>

* 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 2022
(In Jordanian Dinar)

	<u>2022</u>	<u>2021</u>
Operating Activities		
Profit for the year before income tax	1,438,420	1,430,550
Depreciation	69,353	72,870
Amortization of deferred grants revenue	(3,341)	(6,679)
Provision against end of service indemnity	70,557	48,888
Provisions against loans guarantee	1,985,394	1,903,156
Board of directors' remunerations	55,000	55,000
(Unneeded) provision for expected credit loss for deposits and bonds	(11,644)	2,570
Unneeded provision for lawsuits	(70,466)	-
Dividends income	(90,000)	-
Changes in working capital		
Payables and other current liabilities	(351,683)	1,382,487
Receivables and other current assets	(224,666)	(734,348)
Net payments for loans guarantees	(633,517)	(1,000,605)
Paid income tax	(527,745)	(117,083)
Net Cash Flows From Operating Activities	<u>1,705,662</u>	<u>3,036,806</u>
Investing Activities		
Deposits at banks	18,744,346	(1,621,212)
Financial assets at amortized cost	(3,000,010)	-
Property and equipment	(104,957)	(33,684)
Received dividends income	90,000	-
Net Cash Flows From (Used in) Investing Activities	<u>15,729,379</u>	<u>(1,654,896)</u>
Financing Activities		
Central Bank of Jordan loan - Support bank guarantees for contractors outside Jordan program	(100,000,000)	-
Restricted bank deposits and financial assets measured at amortized cost	101,361,049	11,122,580
Startup micro projects loans	(957,150)	(12,196,350)
Net Cash Flows From (Used in) Financing Activities	<u>403,899</u>	<u>(1,073,770)</u>
Net changes in cash and cash equivalents	17,838,940	308,140
Cash and cash equivalents, beginning of year (before provision for expected credit loss)	2,653,822	2,345,682
Cash and cash equivalents, end of year (before provision for expected credit loss)	<u>20,492,762</u>	<u>2,653,822</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 2022
(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 2023 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.

- **Adoption of new IFRS standard**

The following standard has been published that is mandatory for accounting periods after 31 December 2022. Management anticipates that the adoption of new standard will have no material impact on the financial statements of the Company.

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

- **Use of Estimates**

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

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the statement of profit or loss.
- Management reviews periodically provisions against loan guarantee to assess their sufficiency according to IFRS 9 commensurate with 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.

- **Projects under construction**

Projects under construction are recorded at cost which represents the contractual obligations of the Company for the construction. Allocated costs directly attributable to the construction of the asset are capitalized. The Projects under construction is transferred to the appropriate asset category and depreciated in accordance with the Company's

policies when construction of the asset is completed and commissioned.

- **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

	<u>Loans Ceilings</u>		<u>Guaranteed loans</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Housing loans guarantees	18,828,508	20,999,395	12,204,473	13,850,762
Productive loans guarantees	43,703,134	43,955,134	37,859,984	35,808,683
Export credit guarantees & domestic buyers	9,792,902	10,694,125	9,792,902	10,694,125
Industrial loans guarantees and finance lease	54,412,887	36,401,187	54,412,887	36,401,187
Startup micro projects	24,460,492	18,499,859	24,460,492	18,499,859
National program for facing COVID-19 pandemic	274,544,380	323,407,037	274,544,380	323,407,037

4 . Cash and cash equivalents

	<u>2022</u>	<u>2021</u>
Cash on hand	2,000	2,000
Cash at banks	216,362	132,688
Deposits mature within three months	20,274,400	2,519,134
Provision for expected credit loss	(10,951)	(1,786)
	<u>20,481,811</u>	<u>2,652,036</u>

Annual interest rate for bank deposits ranging between (4.25%) and (5.75%).

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

	<u>2022</u>	<u>2021</u>
Balance at the beginning of the year	1,786	1,732
Provision for the year	9,165	54
Balance at the end of the year	<u>10,951</u>	<u>1,786</u>

5 . Deposits at banks

Bank deposits mature within (4) to (12) months, with an annual interest rate ranging between (4.75%) and (5.6%), provision for expected credit loss for these deposits as at 31 December 2022 amounted to JOD (33,692), against JOD (66,756) as at 31 December 2021.

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

	<u>2022</u>	<u>2021</u>
Balance at the beginning of the year	66,756	64,240
(Unneeded) provision for the year	(33,064)	2,516
Balance at the end of the year	<u>33,692</u>	<u>66,756</u>

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

	<u>2022</u>	<u>2021</u>
Investments in listed shares (in Jordan)	916,598	916,253
Investments in unlisted shares (in Jordan)	249,190	249,190
	<u>1,165,788</u>	<u>1,165,443</u>

7 . Financial assets measured at amortized cost

	<u>2022</u>	<u>2021</u>
Investment in bonds – Jordan	6,490,956	3,490,945
Provision for expected credit loss	(20,454)	(8,199)
	<u>6,470,502</u>	<u>3,482,746</u>

Investment in bonds mature up to the year 2029 with an annual interest rate ranging between (6.099%) and (7.5%).

8 . Receivables and other current assets

	<u>2022</u>	<u>2021</u>
Accrued commissions income	793,359	897,357
Accrued commissions for managing Central Bank of Jordan loans provisions	630,590	547,477
Accrued interest income	445,132	231,592
Accounts receivable	35,213	13,752
Prepaid expenses	26,914	22,929
Refundable deposits	7,815	7,815
Others	7,343	778
	<u>1,946,366</u>	<u>1,721,700</u>

9 . Income tax

The movement on the income tax provision was as follows:

	<u>2022</u>	<u>2021</u>
Balance at the beginning of the year	410,101	26,425
Current year income and National Contribution tax expenses	584,159	500,759
Paid income tax	(527,745)	(117,083)
	<u>466,515</u>	<u>410,101</u>

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

	<u>2022</u>	<u>2021</u>
Income tax expense for the year	556,342	476,913
National Contribution tax for the year	27,817	23,846
Deferred tax	(296,266)	(200,342)
	<u>287,893</u>	<u>300,417</u>
Statutory and National Contribution tax rate	21%	21%

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

	<u>2022</u>	<u>2021</u>
Provisions against loans guarantee	917,175	633,281
End of service provision	82,481	67,664
Provision for expected credit loss for deposits and bonds	13,672	16,116
Cumulative changes in fair value for financial assets	(26,500)	(26,481)
	<u>986,828</u>	<u>690,580</u>

- 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 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 2022 was calculated in accordance with the Income Tax Law.

10 . Property and equipment

	<u>Lands</u>	<u>Buildings</u>	<u>Furniture & Fixtures</u>	<u>Vehicles</u>	<u>Computers & Software</u>	<u>Projects under construction</u>	<u>Total</u>
Cost							
Balance at 1/1/2022	1,688,453	1,557,945	235,165	109,901	537,722	-	4,129,186
Additions	-	-	17,275	-	22,749	64,933	104,957
Balance at 31/12/2022	<u>1,688,453</u>	<u>1,557,945</u>	<u>252,440</u>	<u>109,901</u>	<u>560,471</u>	<u>64,933</u>	4,234,143
Accumulated depreciation							
Balance at 1/1/2022	-	369,129	176,163	87,015	503,533	-	1,135,840
Depreciation for the year	-	<u>31,732</u>	<u>12,476</u>	<u>8,884</u>	<u>16,261</u>	-	69,353
Balance at 31/12/2022	-	400,861	188,639	95,899	519,794	-	1,205,193
Net book value at 31/12/2022	<u>1,688,453</u>	<u>1,157,084</u>	<u>63,801</u>	<u>14,002</u>	<u>40,677</u>	<u>64,933</u>	<u>3,028,950</u>
Cost							
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>	-	4,129,186
Accumulated depreciation							
Balance at 1/1/2021	-	337,394	165,415	75,630	484,531	-	1,062,970
Depreciation for the year	-	<u>31,735</u>	<u>10,748</u>	<u>11,385</u>	<u>19,002</u>	-	72,870
Balance at 31/12/2021	-	369,129	176,163	87,015	503,533	-	1,135,840
Net book value at 31/12/2021	<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>

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:

	<u>2022</u>	<u>2021</u>
Provision for productive loans guarantees	705,145	605,312
Provision for housing loans guarantees	187,221	208,669
Provision for export guarantees	475,135	201,643
Special provision against loans guarantees	3,000,000	2,000,000
Provision for industrial financing *	13,530,328	11,040,785
Provision for pioneer projects financing *	274,758	222,496
Provision for startup companies financing *	14,931,831	12,614,556
Provision for export credit guarantees financing *	13,828,576	11,449,305
Provision for supporting bank guarantees for contractors outside Jordan program*	436,787	8,329,648
Provision for housing loans guarantees financing – Facilitated housing*	11,895,012	7,704,624
Provision for facing COVID-19 pandemic loans guarantees financing*	31,479,767	20,393,328
	<u>90,744,560</u>	<u>74,770,366</u>

* 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

	<u>2022</u>	<u>2021</u>
Balance at beginning of the year	605,312	894,959
Charge for the year	800,825	848,729
Recoveries	317,107	211,837
Compensations paid	(1,018,099)	(1,350,213)
	<u>705,145</u>	<u>605,312</u>

- Provision for housing loans guarantees

	<u>2022</u>	<u>2021</u>
Balance at beginning of the year	208,669	209,533
Unneeded provision	(136,083)	(138,635)
Recoveries	209,730	266,681
Compensations paid	(95,095)	(128,910)
	<u>187,221</u>	<u>208,669</u>

- Provision for export guarantees

	<u>2022</u>	<u>2021</u>
Balance at beginning of the year	201,643	8,581
Charge for the year	320,652	193,062
Compensations paid	(47,160)	-
	<u>475,135</u>	<u>201,643</u>

- Special provision against loans guarantees

	<u>2022</u>	<u>2021</u>
Balance at beginning of the year	2,000,000	1,000,000
Charge for the year	<u>1,000,000</u>	<u>1,000,000</u>
	<u>3,000,000</u>	<u>2,000,000</u>

- Provision for industrial financing

	<u>2022</u>	<u>2021</u>
Balance at beginning of the year	11,040,785	8,683,722
Charge for the year against Central Bank of Jordan loan's interest	702,130	551,303
Transfer from export credit guarantees provision	2,000,000	2,000,000
Recoveries	88,687	134,604
Compensations paid	(171,142)	(233,929)
Income and national contribution tax expense for the year	<u>(130,132)</u>	<u>(94,915)</u>
	<u>13,530,328</u>	<u>11,040,785</u>

- Provision for pioneer projects financing

	<u>2022</u>	<u>2021</u>
Balance at beginning of the year	222,496	217,412
Charge for the year against ministry of planning deposits	66,154	64,184
Compensations paid	-	(57,748)
Income and national contribution tax expense for the year	<u>(13,892)</u>	<u>(1,352)</u>
	<u>274,758</u>	<u>222,496</u>

- Provision for startup companies financing

	<u>2022</u>	<u>2021</u>
Balance at beginning of the year	12,614,556	9,858,080
Charge for the year against startup micro projects loans	4,698,038	4,743,431
Interest on loans for startup companies guarantees financing	(1,074,800)	(1,093,943)
Recoveries	34,243	25,043
Compensations paid	(724,221)	(185,323)
Income and national contribution tax expense for the year	<u>(615,985)</u>	<u>(732,732)</u>
	<u>14,931,831</u>	<u>12,614,556</u>

- Provision for export credit guarantees financing

	<u>2022</u>	<u>2021</u>
Balance at beginning of the year	11,449,305	9,128,196
Charge for the year against Central Bank of Jordan loan	7,716,979	7,603,583
Interest on Central Bank of Jordan loan	<u>(1,999,980)</u>	<u>(1,999,980)</u>

Transfer to industrial financing provision	(2,000,000)	(2,000,000)
Inquiry fees	(17,193)	(6,589)
Management fees	(151,441)	(127,253)
Compensations paid	(4,984)	-
Income and national contribution tax expense for the year	(1,164,110)	(1,148,652)
	13,828,576	11,449,305

Provision for supporting bank guarantees for contractors outside Jordan

	<u>2022</u>	<u>2021</u>
Balance at beginning of the year	8,329,648	4,859,888
Charge for the year against Central Bank of Jordan loan	5,053,238	6,485,555
Interest on Central Bank of Jordan loan	(1,501,371)	(2,000,000)
Transfer to Central Bank of Jordan	(10,698,836)	-
Management fees	-	(93,454)
Income and national contribution tax expense for the year	(745,892)	(922,341)
	436,787	8,329,648

Provision for housing loans guarantees financing – Facilitated housing

	<u>2022</u>	<u>2021</u>
Balance at beginning of the year	7,704,624	3,622,259
Charge for the year against Central Bank of Jordan loan	5,935,692	5,756,337
Interest on Central Bank of Jordan loan	(500,000)	(500,000)
Management fees	(131,404)	(88,786)
Income and national contribution tax expense for the year	(1,113,900)	(1,085,186)
	11,895,012	7,704,624

Provision for facing COVID-19 pandemic loans guarantees financing

	<u>2022</u>	<u>2021</u>
Balance at beginning of the year	20,393,328	8,479,011
Charge for the year against Central Bank of Jordan loan	17,504,846	16,961,508
Recoveries	9,329	-
Interest on Central Bank of Jordan loan	(1,500,000)	(1,500,000)
Compensations paid	(1,632,964)	(142,111)
Management fees	(347,745)	(237,984)
Income and national contribution tax expense for the year	(2,947,027)	(3,167,096)
	31,479,767	20,393,328

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 (18,821,155) and JOD (16,279,585) as at 31 December 2022 and 2021 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 (114,991,962) as at 31 December 2022 and JOD (112,597,470) as at 31 December 2021, all financial assets at amortized cost are mortgaged against Central Bank of Jordan loan, and their book value amounted to JOD (100,001,510).

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 .

During 2022, the program was suspended due to the lack of guarantee requests to benefit from the program. Therefore the loan principal was returned to the Central Bank of Jordan on 30 September 2022 and the balance of the provision will be transferred according to the maturity date of deposits after making the necessary tax adjustments.

The restricted balance presented under assets in the statement of financial position amounted to JOD (1,182,679) as at 31 December 2022 and (109,251,990) as at 31 December 2021.

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 (113,008,915) as at 31 December 2022 and JOD (108,789,812) as at 31 December 2021, 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 (334,426,793) as at 31 December 2022 and JOD (323,560,421) as at 31 December 2021, 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 2022 amounted to JOD (1,248,500) and the restricted balance presented under assets in the statement of financial position amounted to JOD (1,537,152) as at 31 December 2022 and JOD (1,472,360) as at 31 December 2021 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 (84,068,976) as at 31 December 2022 and JOD (82,824,726) as at 31 December 2021 part of it is mortgaged against Central Bank of Jordan loan amounted to JOD (55,391,862).

19 . Payables and other current liabilities

	<u>2022</u>	<u>2021</u>
Income tax payable on provisions against restricted assets	6,730,938	7,152,274
Unearned commissions	729,898	880,301
Reinsurers payables	425,046	428,443
Provision for end of service indemnity	392,767	322,210
Accrued expenses	265,579	226,339
Shareholders' withholdings	78,999	79,909
Deferred grant income (Note 20)	146,312	3,470
Provision for Board of Directors' remunerations	55,000	55,000
Others	31,693	8,219
	<u>8,856,232</u>	<u>9,156,165</u>

20 . Deferred grant income

During the year 2022 the German Agency for International Cooperation has granted the Company EUR (377,710) to implement the business process management platform and digital transformation. Total amount transferred to the Company until the end of 2022 was JOD (147,550) to cover training expenses.

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 2022 and 2021.

- **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

	<u>2022</u>	<u>2021</u>
Salaries and wages	1,204,752	1,103,517
Company's contribution in social security	122,899	113,599
Company's contribution in saving fund	100,318	91,255
Subscriptions	91,387	74,587
Board of Directors' transportation	72,050	71,400
Depreciation (Note 10)	69,353	72,870
Medical and health insurance expenses	67,696	71,331
Official duties and training courses	54,649	17,765
Professional fees	53,550	26,674
Maintenance	42,673	41,980
Post, telephone, water and electricity	34,256	31,605
Marketing expenses	29,048	16,205
Archiving services	25,300	-
Stationary and printings	14,340	13,842
Security	10,872	8,034
Vehicles expenses	10,182	5,986
Companies' controller fees	1,200	600
Others	29,175	17,662
	2,033,700	1,778,912

23 . Basic and diluted earnings per share

	<u>2022</u>	<u>2021</u>
Profit for the year	1,150,527	1,130,133
Weighted average number of shares	29,080,310	29,080,310
	0.040	0.039

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 as at 31 December 2022 and 2021 respectively.

25 . Executive management remuneration

The salaries and remunerations of the executive management amounted to JOD (525,559) and JOD (589,646) as at 31 December 2022 and 2021 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.

<u>2022</u>	<u>Up to one year</u>	<u>More than one year</u>	<u>Total</u>
Assets			
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
Total assets	<u>34,817,843</u>	<u>679,689,700</u>	<u>714,507,543</u>
Liabilities			
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
Total liabilities	<u>12,161,914</u>	<u>662,835,023</u>	<u>674,996,937</u>

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

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.

<u>2022</u>	<u>Up to one year</u>	<u>More than one year</u>	<u>Non-interest bearing</u>	<u>Total</u>
Assets				
Cash and cash equivalents	20,263,449	-	218,362	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
Total assets	<u>32,653,115</u>	<u>6,470,502</u>	<u>675,383,926</u>	<u>714,507,543</u>
Liabilities				
Provisions against loans guarantees	-	-	90,744,560	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	-	-	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	-	-	68,521,158	68,521,158
Payables and other current liabilities	-	-	8,856,232	8,856,232
Income tax provision	-	-	<u>466,515</u>	<u>466,515</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>674,996,937</u>	<u>674,996,937</u>
Interest rate re-pricing gap	<u>32,653,115</u>	<u>6,470,502</u>	<u>386,989</u>	<u>39,510,606</u>

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

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	
	2022	2021
Revenue from loans guarantees	2,711,924	2,696,856
Revenue from exports guarantees	392,169	397,778
Revenue from investing in financial securities	1,761,846	1,570,286
Revenue from managing Central Bank of Jordan loans provisions	630,590	547,477
Assets related to guarantees of loans and export sector and managing Central Bank of Jordan loans provisions	669,461,581	755,673,721
Assets related to investment in financial securities	40,734,537	38,630,765

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.

2022	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	916,598	145,000	104,190	1,165,788
2021	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	916,253	145,000	104,190	1,165,443

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:

<u>2022</u>	<u>Less than one year</u>	<u>More than one year</u>	<u>Total</u>
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
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Payables and other current liabilities	8,856,232	-	8,856,232
Income tax provision	466,515	-	466,515
	<u>12,161,914</u>	<u>662,835,023</u>	<u>674,996,937</u>

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

- **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 (4.25% - 7.5%) (2021: 2% - 6.099%). 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 (195,944) for 2022 (2021: JOD 185,889).

- **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 (80%) 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**

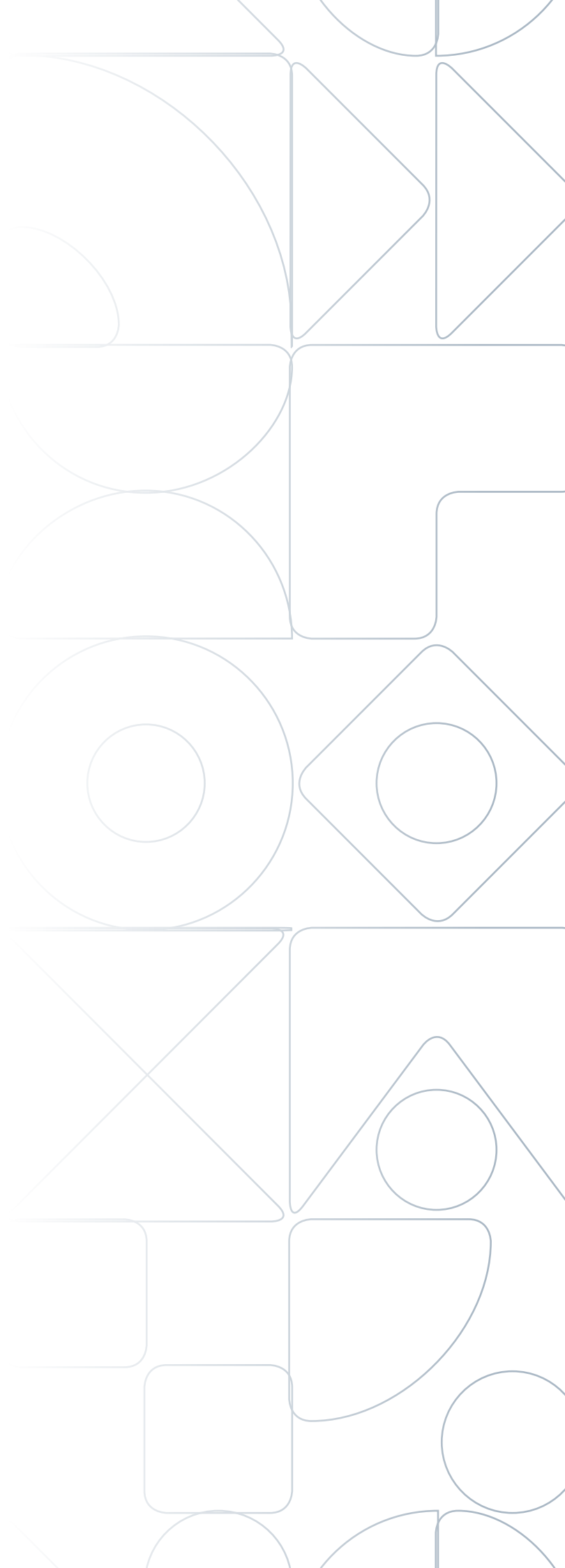
The management considers that the Company is not exposed to significant currency risk. The majority of their transactions and balances are in either Jordanian Dinar or US Dollar. As the Jordanian Dinar is pegged to the US Dollar, balances in US Dollar are not considered to represent significant currency 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 (86,848) during 2022 (2021: JOD 86,815).

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.



A group of business professionals in a meeting room, with a world map on the wall. The image is overlaid with a dark red semi-transparent filter and geometric shapes like circles and triangles. The text is written vertically in white.

Board of Directors Declarations 2022


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Board of Directors Declarations 2022

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 2023.

<p>Board Member H.E.Mrs. Nadia Al Saeed</p> 	<p>Board Member Dr. Ahmad Al Hussein</p> 	<p>Board Member Dr. Khaldoun Al Wshah</p> 	<p>Chairman H.E.Dr. Adel Al Sharkas</p> 
<p>Board Member Mr. Walid Al Samhouri</p> 	<p>Board Member Ms. Maha Al Abdallat</p> 	<p>Board Member Mr. Hussein Kofahy</p> 	<p>Vice Chairman Mr. Kamal Al Bakri</p> 
<p>Board Member H.E.Dr. Ibrahim Saif</p> 	<p>Board Member Ms. Luma Ghaleb</p> 	<p>Board Member Ms. Rana Sawalha</p> 	

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.

<p>Board Member H.E.Mrs. Nadia Al Saeed</p> 	<p>Board Member Dr. Ahmad Al Hussein</p> 	<p>Board Member Dr. Khaldoun Al Wshah</p> 	<p>Chairman H.E.Dr. Adel Al Sharkas</p> 
<p>Board Member Mr. Walid Al Samhouri</p> 	<p>Board Member Ms. Maha Al Abdallat</p> 	<p>Board Member Mr. Hussein Kofahy</p> 	<p>Vice Chairman Mr. Kamal Al Bakri</p> 
<p>Board Member H.E.Dr. Ibrahim Saif</p> 	<p>Board Member Ms. Luma Ghaleb</p> 	<p>Board Member Ms. Rana Sawalha</p> 	

3. We the undersigned declare that the financial statements and the information within the Annual Report 2022 are correct.

<p>Finance Dept. Manager Mr. Issa Al Tarayrah</p> 	<p>Director General H.E.Dr. Mohammed Al Ja'fari</p> 	<p>Chairman H.E.Dr. Adel Al Sharkas</p> 
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Design, art supervision and printing



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JORDAN
LOAN GUARANTEE CORP.
The Small Business Company Of Jordan

 24 Prince Shaker Bin Zaid St. - Shmisani - Amman

 P.O.Box 830703 Amman 11183 Jordan

 00962 6 5625400

 00962 6 5625408

 mail@jlgc.com

 www.jlgc.com