

الإفصاح
موريس عيسى
السيد عيسى
الطرايرة
٧١٨



لضمان القروض م.ع.م.
شركة الاعمال الصغيرة الاردنية

الرقم : 15/2020/1 /١٨٥|
الموافق : 30 حزيران 2020

هيئة الأوراق المالية
الدائرة الإدارية / الديوان
١ لـ ٢٠٢٠
الرقم التسلسل ٢٨٨٣
الجهة المختصة ١٤٤٤

السادة هيئة الأوراق المالية المحترمين
دائرة الاصدار والافصاح

الموضوع : البيانات المالية كما في 2019/12/31 والبيانات المالية المرحلية كما في

2020 /03/31 باللغة الانجليزية

تحية طيبة وبعد ،

بالاشارة الى الموضوع أعلاه ، تجدون طياً نسخة من البيانات المالية للشركة الاردنية لضمان القروض كما في 31 كانون الاول 2019 و 31 آذار 2020 مع تقرير مدقي الحسابات باللغة الانجليزية.

وتفضلوا بقبول فائق الاحترام ،،،

السيد عيسى الطرايرة
مدير الدائرة المالية

السيدة ريم الحجاج
مشرية الدائرة المالية



ص.ب ٨٣٠٧٠٣
عمان ١١١٨٣ الأردن
هاتف ٥٦٢٥٤٠٠
فاكس ٥٦٢٥٤٠٨

P.O.Box 830703
Amman 11183
Jordan
Tel. 5625400
Fax: 5625408
E-mail : mail@jlgc.com
Website: www.jlgc.com

Jordan Loan Guarantee Corp.
Public Shareholding Company
Condensed Interim Financial Statements (Unaudited)
31 March 2020

Jordan Loan Guarantee Corp.
Public Shareholding Company

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



Report on Review of Condensed Interim Financial Statements

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

Introduction

We have reviewed the accompanying condensed interim financial statements of **Jordan Loan Guarantee Corp.**, comprising the interim statement of financial position as at 31 March 2020 and the related interim statement of profit or loss, interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the three-months period then ended and the notes about condensed interim financial statements. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

Scope of Review


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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at 31 March 2020 are not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

11 June 2020
Amman - Jordan




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

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

	Notes	31 March 2020 (Unaudited)	31 December 2019 (Audited)
Assets			
Cash and cash equivalents		24,083,721	1,135,189
Deposits at banks		6,494,532	29,793,376
Restricted bank deposits		49,716,141	47,375,395
Restricted financial assets measured at amortized cost		366,947,191	365,786,042
Financial assets measured at fair value through other comprehensive income		1,159,045	1,161,120
Financial assets measured at amortized cost		3,482,548	3,482,692
Receivables and other current assets		2,089,586	1,411,878
Deferred tax assets		468,879	494,910
Property and equipment		<u>3,075,725</u>	<u>3,093,884</u>
Total Assets		<u>457,517,368</u>	<u>453,734,486</u>
Liabilities and Equity			
Liabilities			
Provisions against loans guarantees	4	27,383,507	24,190,560
Central Bank of Jordan loan - Industrial loans guarantees program		5,160,695	5,160,695
Central Bank of Jordan loan - Export credit guarantees program		99,999,277	99,999,277
Central Bank of Jordan loan - Support bank guarantees for contractors outside Jordan program		100,000,000	100,000,000
Central Bank of Jordan loan - Housing loans guarantees program - Facilitated housing		100,000,000	100,000,000
Ministry of Planning deposit		1,248,500	1,248,500
Startup micro projects loans		82,631,808	82,631,808
Payables and other current liabilities		3,986,725	3,685,970
Income tax provision		<u>228,675</u>	<u>237,172</u>
Total Liabilities		<u>420,639,187</u>	<u>417,153,982</u>
Equity			
Paid in capital		29,080,310	29,080,310
Statutory reserve		1,852,454	1,852,454
Voluntary reserve		2,204,824	2,204,824
Fair value adjustments		471,874	473,840
Retained earnings		<u>3,268,719</u>	<u>2,969,076</u>
Total Equity		<u>36,878,181</u>	<u>36,580,504</u>
Total Liabilities and Equity		<u>457,517,368</u>	<u>453,734,486</u>

“The accompanying notes from (1) to (8) are an integral part of these condensed interim financial statements and read with review report”

Jordan Loan Guarantee Corp.
Public Shareholding Company
Interim Statement of Profit or Loss For the Three Months Ended at 31 March 2020
(In Jordanian Dinar)

	31 March 2020 <u>(Unaudited)</u>	31 March 2019 <u>(Unaudited)</u>
Revenues		
Interest income	437,202	410,456
Bonds interest income	58,670	70,385
Commissions on guaranteed loans	266,995	286,407
Commissions on guaranteed exports and domestic buyers	65,859	50,688
Commissions on guaranteed industrial loans and financial leasing	131,385	116,522
Dividends income	-	105,000
Unneeded provision for expected credit losses in deposits	27,954	24,478
Other revenues	3,237	8,811
Total revenues	<u>991,302</u>	<u>1,072,747</u>
Deduct :		
Administrative expenses	366,598	378,930
Provisions against loans guarantees	239,239	498,581
Provision against end of service indemnity	6,171	6,103
Profit before income tax	<u>379,294</u>	<u>189,133</u>
Income tax (expense) excess for the period	(79,651)	486
Profit for the period	<u>299,643</u>	<u>189,619</u>
Basic and diluted earnings per share	<u>0.010</u>	<u>0.007</u>

“The accompanying notes from (1) to (8) are an integral part of these condensed interim financial statements and read with review report”

Jordan Loan Guarantee Corp.
Public Shareholding Company
Interim Statement of Comprehensive Income For the Three Months Ended at 31 March 2020
(In Jordanian Dinar)

	31 March 2020 <u>(Unaudited)</u>	31 March 2019 <u>(Unaudited)</u>
Profit for the period	299,643	189,619
Other comprehensive income:		
Changes in fair value of financial assets through other comprehensive income	<u>(1,966)</u>	<u>(4,665)</u>
Total comprehensive income for the period	<u>297,677</u>	<u>184,954</u>

“The accompanying notes from (1) to (8) are an integral part of these condensed interim financial statements and read with review report”

**Jordan Loan Guarantee Corp.
Public Shareholding Company**
Interim Statement of Changes in Equity For the Three Months Ended at 31 March 2020 (Unaudited)

(In Jordanian Dinar)

	Paid in capital	Reserves		Fair value adjustments	Retained earnings	Total
		Statutory	Voluntary			
Balance at 1 January 2020	29,080,310	1,852,454	2,204,824	473,840	2,969,076	36,580,504
Total comprehensive income for the period	-	-	-	(1,966)	299,643	297,677
Balance at 31 March 2020	<u>29,080,310</u>	<u>1,852,454</u>	<u>2,204,824</u>	<u>471,874</u>	<u>3,268,719</u>	<u>36,878,181</u>
Balance at 1 January 2019	29,080,310	1,719,633	2,204,824	496,443	2,058,794	35,560,004
Total comprehensive income for the period	-	-	-	(4,665)	189,619	184,954
Balance at 31 March 2019	<u>29,080,310</u>	<u>1,719,633</u>	<u>2,204,824</u>	<u>491,778</u>	<u>2,248,413</u>	<u>35,744,958</u>

“The accompanying notes from (1) to (8) are an integral part of these condensed interim financial statements and read with review report”

Jordan Loan Guarantee Corp.
Public Shareholding Company
Interim Statement of Cash Flows For the Three Months Ended at 31 March 2020

(In Jordanian Dinar)

	31 March 2020 (Unaudited)	31 March 2019 (Unaudited)
Operating Activities		
Profit for the period before income tax	379,294	189,133
Depreciation	19,096	29,306
Provision against end of service indemnity	6,171	6,103
Changes in provisions against loans guarantees	3,648,301	2,543,035
Unneeded provision for expected credit losses in deposits	(27,954)	(24,478)
Changes in working capital		
Receivables and other current assets	(677,708)	(461,710)
Payables and other current liabilities	294,584	(84,743)
Net provision against loans guarantee	(455,354)	(462,977)
Paid income tax	(62,008)	(55,477)
Net Cash Flows From Operating Activities	<u>3,124,422</u>	<u>1,678,192</u>
Investing Activities		
Property and equipment	(937)	(1,963)
Deposits at banks	23,326,798	25,059,820
Net Cash Flows From Investing Activities	<u>23,325,861</u>	<u>25,057,857</u>
Financing Activities		
Restricted bank deposits	(2,340,746)	(3,722,177)
Restricted financial assets measured at amortized cost	(1,161,005)	1,828,080
Net Cash Flows Used in Financing Activities	<u>(3,501,751)</u>	<u>(1,894,097)</u>
Net changes in cash and cash equivalents	22,948,532	24,841,952
Cash and cash equivalents, beginning of the year	1,135,189	2,565,464
Cash and cash equivalents, end of the period	<u>24,083,721</u>	<u>27,407,416</u>

“The accompanying notes from (1) to (8) are an integral part of these condensed interim financial statements and read with review report”

Jordan Loan Guarantee Corp.
Public Shareholding Company
Notes to the Condensed Interim Financial Statements (Unaudited)
31 March 2020

(In Jordanian Dinar)

1 . General

Jordan Loan Guarantee Corp. is a public shareholding company incorporated on 26 March 1994. The Company was formed as successor to the Loan Guarantee Project as result of the Council of Ministers' decision that transferred all accounts and assets of the project to the Central Bank of Jordan in preparation for the establishment of a public shareholding company for loan guarantee. The Company head office is in the Hashemite Kingdom of Jordan.

The Company's goals include providing guarantees to fully or partially cover loans of different types, granted by banks and financial institutions for the establishing, expanding, and raising the productive and marketing capacity of economic projects with the aim of creating job opportunities and securing possibilities for earning or saving foreign reserves. The company's goals also include extending guarantees required to cover risks in the field of Jordanian export sector.

The Company's stocks are listed in Amman Stock Exchange – Jordan.

The accompanying condensed interim financial statements have been approved for issue by the Company's Board of Directors on 11 June 2020.

2 . Summary of Significant Accounting Policies

Basis of Preparation

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting". They do not include all of the information required in annual financial statements in accordance with IFRSs, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2019.

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

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

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

Use of Estimates

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

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the interim statement of profit or loss.
- 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).

3 . Balances of guaranteed loans and ceilings

	Loans Ceilings		Guaranteed loans	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Housing loans guarantees	25,735,905	27,935,906	16,652,883	18,594,318
Productive loans guarantees	49,829,134	50,230,134	46,219,961	52,192,281
Export credit guarantees & domestic buyers	4,996,834	3,845,889	4,996,834	3,845,889
Industrial loans guarantees	27,419,946	25,032,379	27,419,946	25,032,379
Finance lease	1,126,015	1,354,910	1,126,015	1,354,910
Startup micro projects	8,600,000	7,300,000	9,732,475	5,806,494

4 . Provisions against loans guarantee

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

	31 March 2020 (Unaudited)	31 December 2019 (Audited)
Provision for productive loans guarantees	1,812,814	1,872,738
Provision for housing loans guarantees	216,341	244,252
Provision for export guarantees	72,869	87,726
Provision for industrial financing *	6,658,369	6,536,553
Provision for pioneer projects financing *	173,220	157,873
Provision for startup companies financing *	7,705,924	6,989,271
Provision for export credit guarantees financing *	7,902,189	6,828,455
Provision for supporting bank guarantees for contractors outside Jordan program*	2,321,138	1,473,692
Provision for housing loans guarantees financing – Facilitated housing *	520,643	-
	27,383,507	24,190,560

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

5 . Tax Status

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2018.
- The income tax return for the year 2019 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 three months ended 31 March 2020 was calculated in accordance with the Income Tax Law.

Jordan Loan Guarantee Corp.
Notes to the Condensed Interim Financial Statements (Unaudited)
31 March 2020

6 . Analysis of the maturities of assets and liabilities

The following table illustrates the analysis of assets and liabilities according to the expected period of their recoverability or settlement.

31 March 2020	Up to one year	More than one year	Total
Assets			
Cash and cash equivalents	24,083,721	-	24,083,721
Deposits at banks	6,494,532	-	6,494,532
Restricted bank deposits	-	49,716,141	49,716,141
Financial assets measured at fair value through other comprehensive income	-	1,159,045	1,159,045
Restricted financial assets measured at amortized cost	-	366,947,191	366,947,191
Financial assets measured at amortized cost	-	3,482,548	3,482,548
Receivables and other current assets	2,089,586	-	2,089,586
Deferred tax assets	-	468,879	468,879
Property and equipment	-	3,075,725	3,075,725
Total assets	32,667,839	424,849,529	457,517,368
Liabilities			
Provisions against loans guarantees	-	27,383,507	27,383,507
Central Bank of Jordan loan – Industrial loans guarantees program	-	5,160,695	5,160,695
Central Bank of Jordan loan – Export credit guarantees program	-	99,999,277	99,999,277
Central Bank of Jordan loan – Support bank guarantees for contractors outside Jordan program	-	100,000,000	100,000,000
Central Bank of Jordan loan – Housing loans guarantees program – Facilitated housing	-	100,000,000	100,000,000
Ministry of Planning deposit	1,248,500	-	1,248,500
Startup micro projects loans	1,435,725	81,196,083	82,631,808
Payables and other current liabilities	3,986,725	-	3,986,725
Income tax provision	228,675	-	228,675
Total liabilities	6,899,625	413,739,562	420,639,187
31 December 2019			
Assets			
Cash and cash equivalents	1,135,189	-	1,135,189
Deposits at banks	29,793,376	-	29,793,376
Restricted bank deposits	-	47,375,395	47,375,395
Financial assets measured at fair value through other comprehensive income	-	1,161,120	1,161,120
Restricted financial assets measured at amortized cost	-	365,786,042	365,786,042
Financial assets measured at amortized cost	-	3,482,692	3,482,692
Receivables and other current assets	1,411,878	-	1,411,878
Deferred tax assets	-	494,910	494,910
Property and equipment	-	3,093,884	3,093,884
Total assets	32,340,443	421,394,043	453,734,486
Liabilities			
Provisions against loans guarantees	-	24,190,560	24,190,560
Central Bank of Jordan loan – Industrial loans guarantees program	-	5,160,695	5,160,695
Central Bank of Jordan loan – Export credit guarantees program	-	99,999,277	99,999,277
Central Bank of Jordan loan – Support bank guarantees for contractors outside Jordan program	-	100,000,000	100,000,000
Central Bank of Jordan loan – Housing loans guarantees program – Facilitated housing	-	100,000,000	100,000,000
Ministry of Planning deposit	1,248,500	-	1,248,500
Startup micro projects loans	957,150	81,674,658	82,631,808
Payables and other current liabilities	3,685,970	-	3,685,970
Income tax provision	237,172	-	237,172
Total liabilities	6,128,792	411,025,190	417,153,982

7 . 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 loans, 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.

31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	<u>909,855</u>	<u>145,000</u>	<u>104,190</u>	<u>1,159,045</u>
31 December 2019	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	<u>911,930</u>	<u>145,000</u>	<u>104,190</u>	<u>1,161,120</u>

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

8 . The Impact of the New Corona Pandemic (Covid-19)

The outbreak of the new Corona virus (Covid-19) at the beginning of 2020 caused a global economic crisis and disrupted many companies and economic activities, which would negatively affect the financial position of the Company, the results of its operations and its cash flows, and given that the situation is changing and rapidly developing, the Company's management is unable to determine the likely impact of this outbreak on the Company's interim financial statements at this stage.