

JLGC





pricing policy

Jordan Loan Guarantee Corporation (JLGC)

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Introduction

JLGC

Jordan Loan Guarantee Corporation

The Jordan Loan Guarantee Corporation (JLGC) was established as a public shareholding company in 1994.

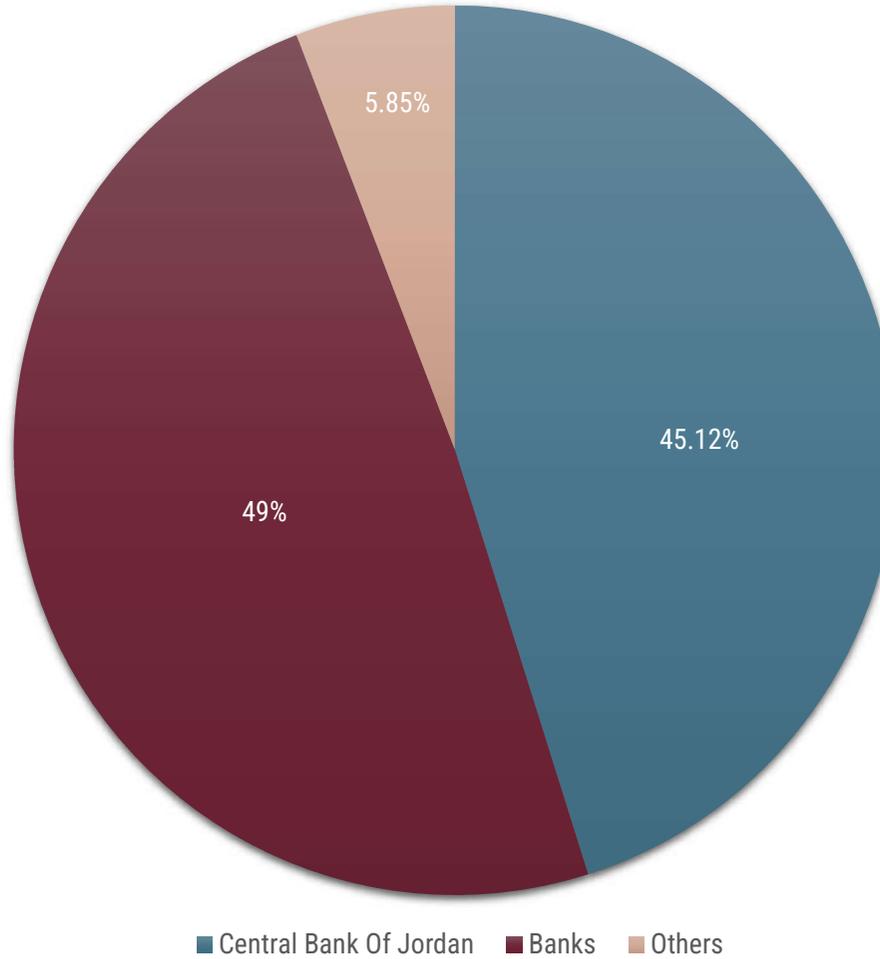
JLGC current capital is JD 29 million. (USD 41 million)

JLGC manages 2 major programs to improve MMSEs access to finance and provide a better risk coverage to national exports as follows:

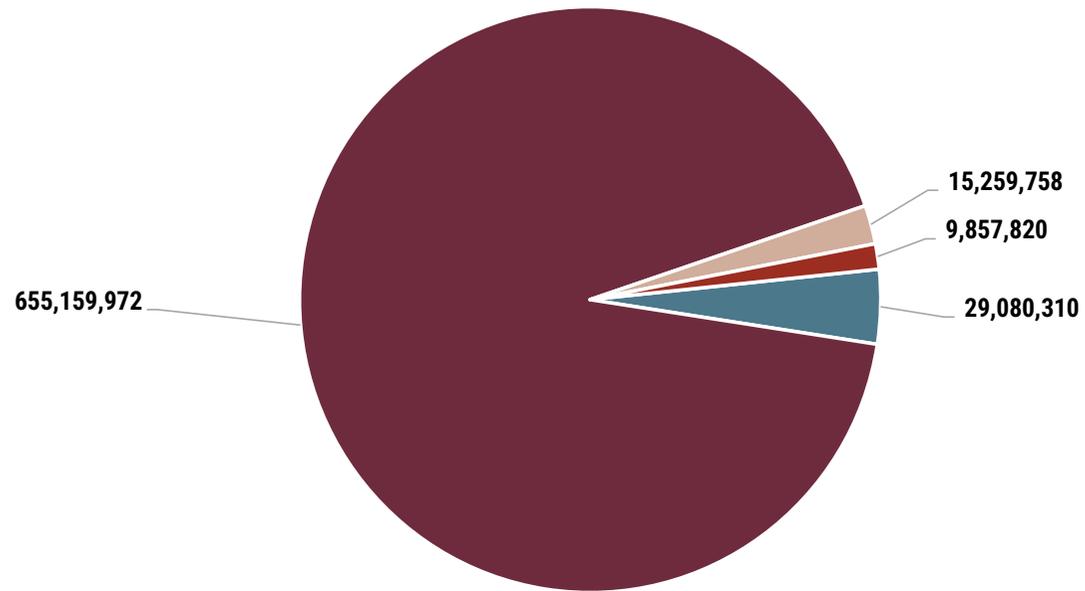
1. Loan Guarantee Program. (Guaranteeing loans through banks and microfinance companies)
2. Export Credit and Domestic Sales Insurance Program.



JLGC Main Shareholders



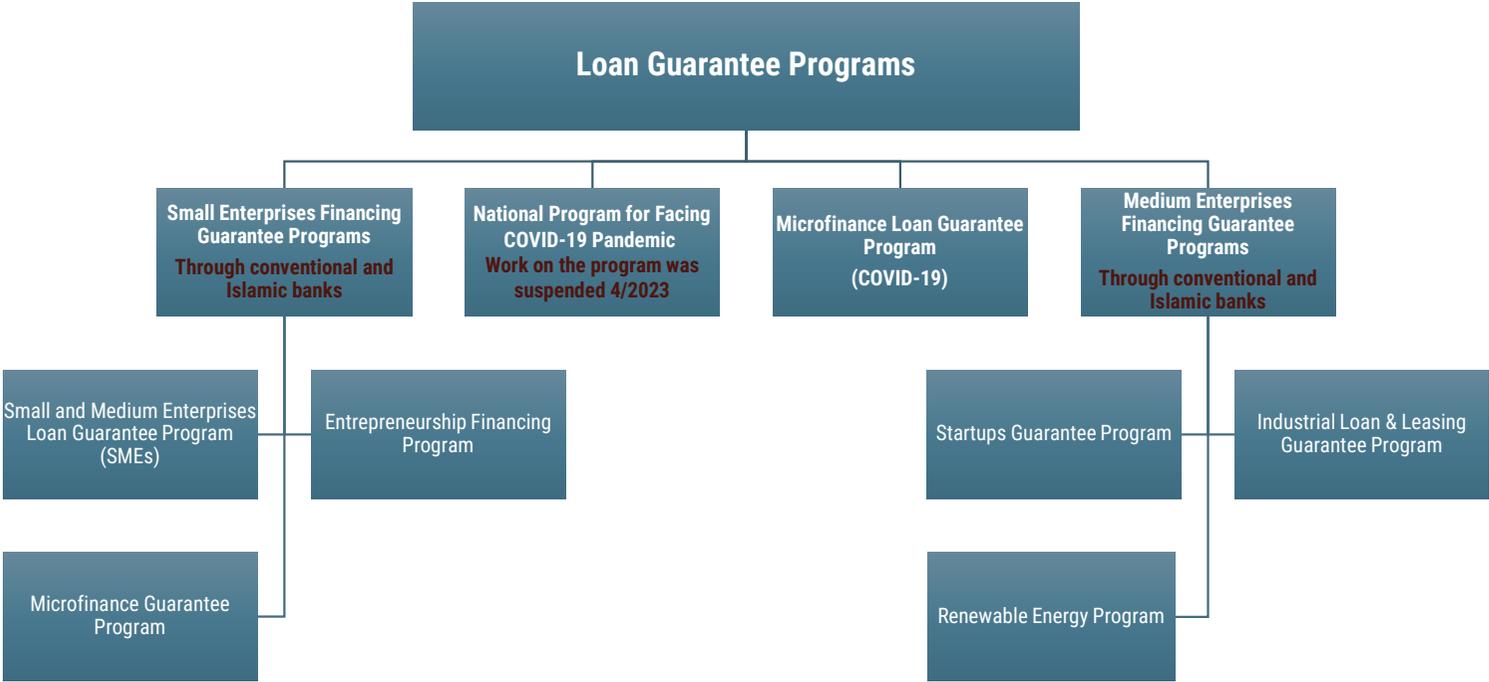
JLGC Funding Sources



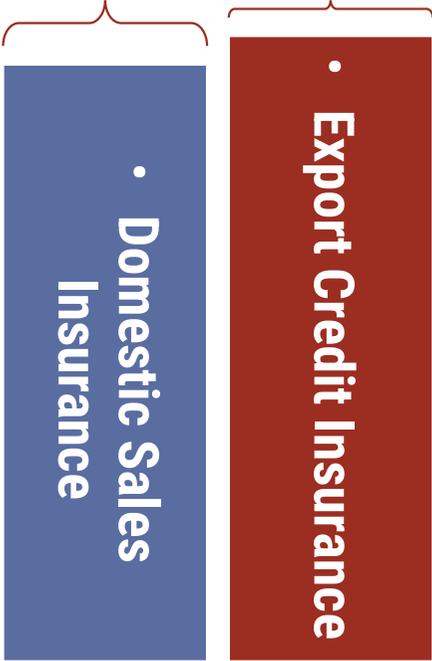
- Subscribed and paid up capital
- Loans granted by the Central Bank of Jordan
- Loans granted by banks operating at the Kingdom
- Others

JLGC Programs

Loan Guarantee Programs



Export Credit and Domestic Sales Insurance

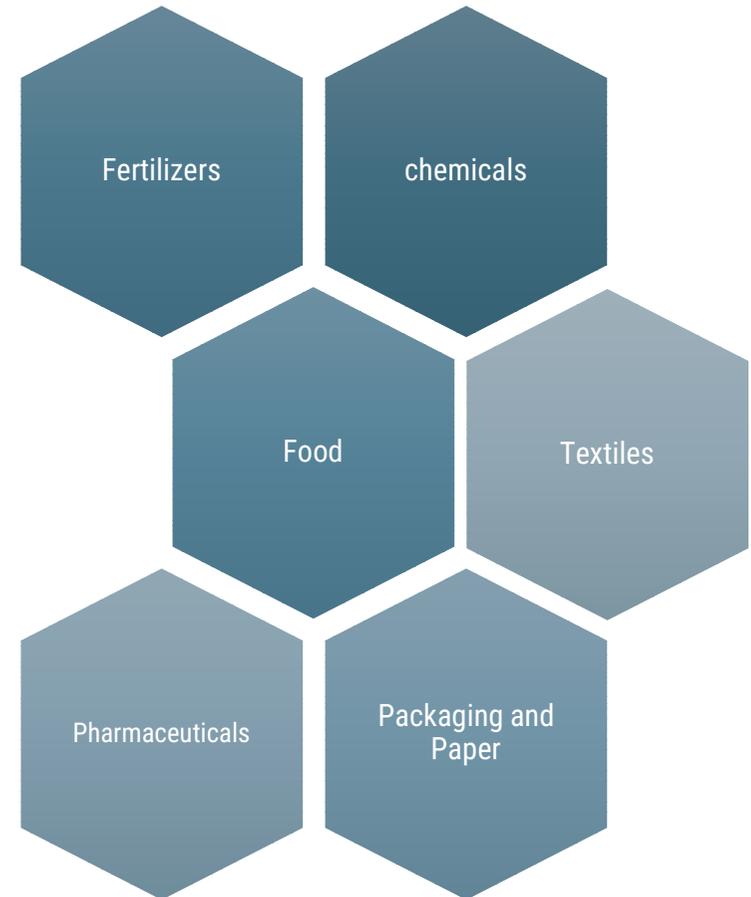


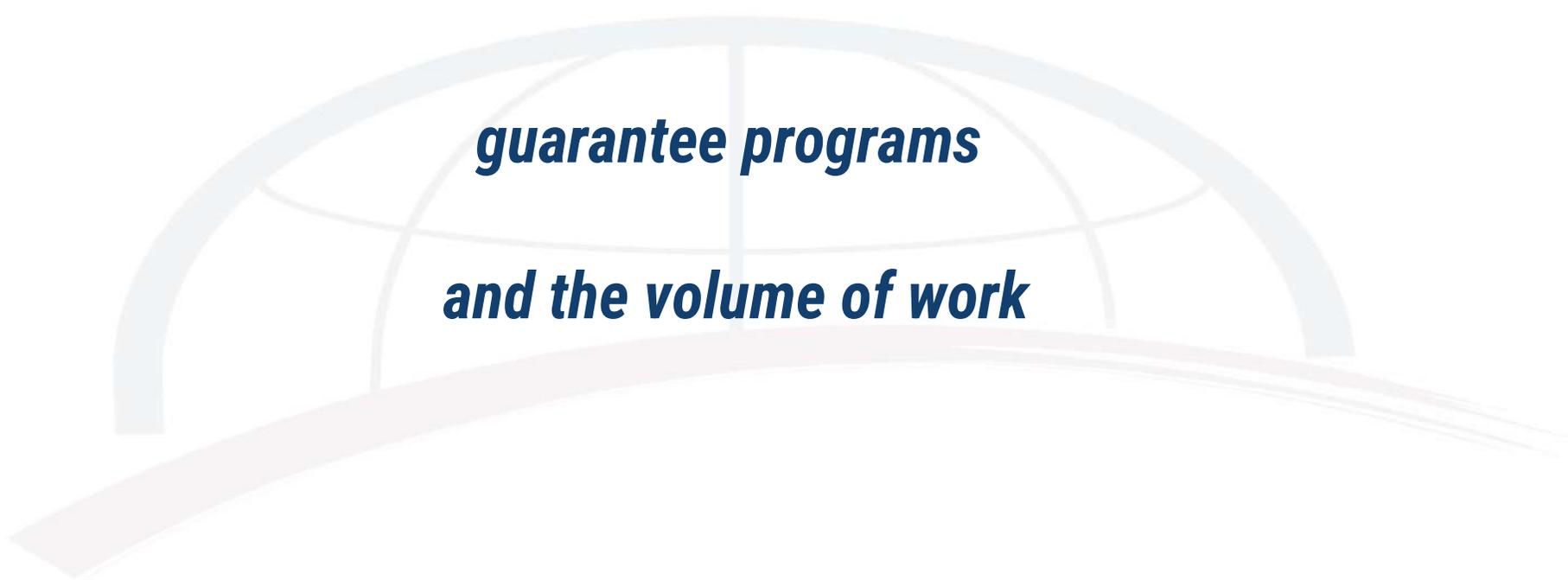
Main Sectors Covered by JLGC programs

Loan Guarantee



Export Credit and Domestic Sales Insurance





***guarantee programs
and the volume of work***

Loan Guarantee Coverage Ratio and Ceilings

Productive Loans Guarantee Programs	Max. Loan Amount (JOD)	Max. Payment Period (Month)	Guarantee Percentage (%)
SMEs Loan Guarantees	250,000	72	%70
Industrial Loan Guarantees	3,000,000	96	80%
"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	350,000 - 500	36-60	70%
Central Bank's Program Guarantee for Financing Micro and Small Companies	25,000	42	85%

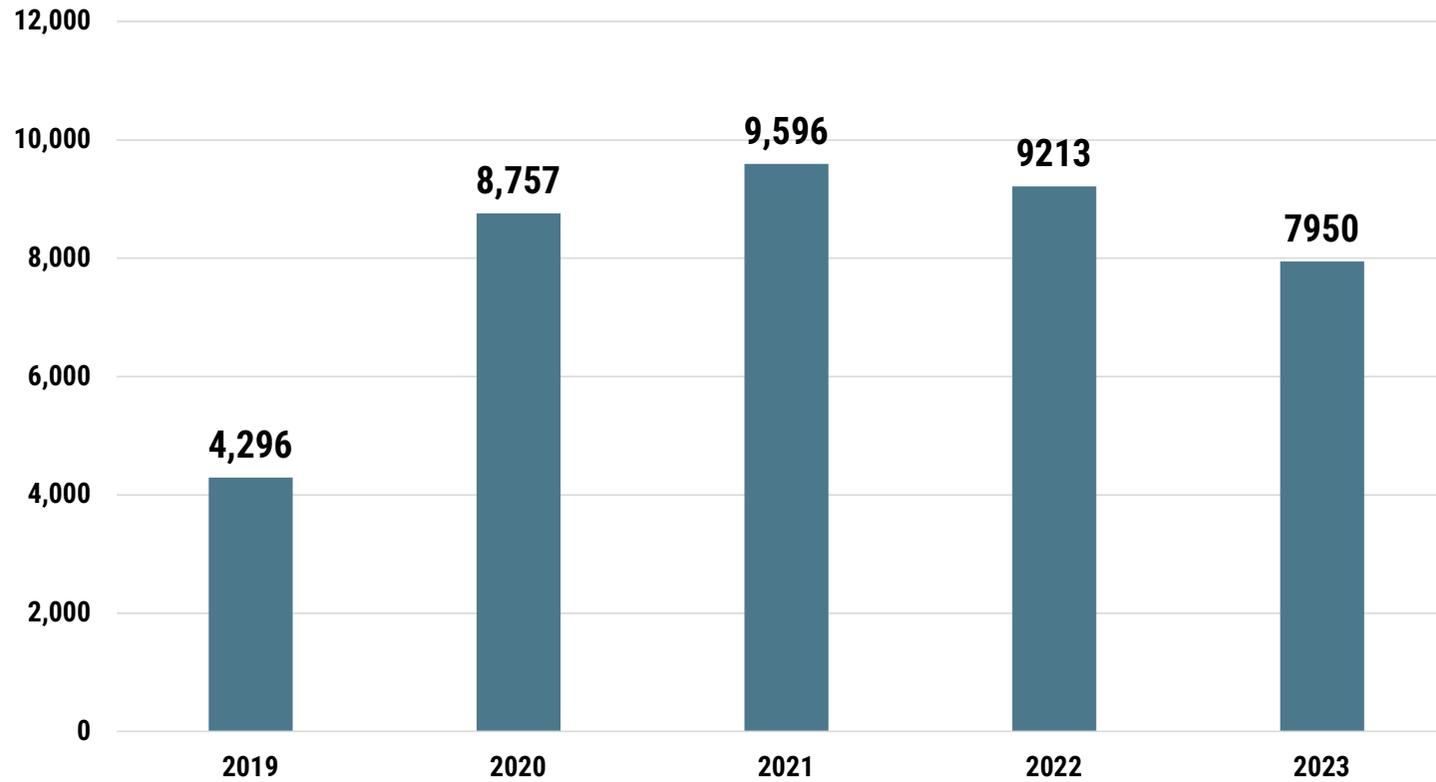
Export credit Insurance Programs	Max. Shipment Amount (\$)	Max. Payment Period (Month)	Guarantee Percentage (%)
Export Credit Insurance	30,000,000	6	90%
Domestic Credit Insurance	4,000,000	4	80%

Loan Guarantee programs - Operational performance

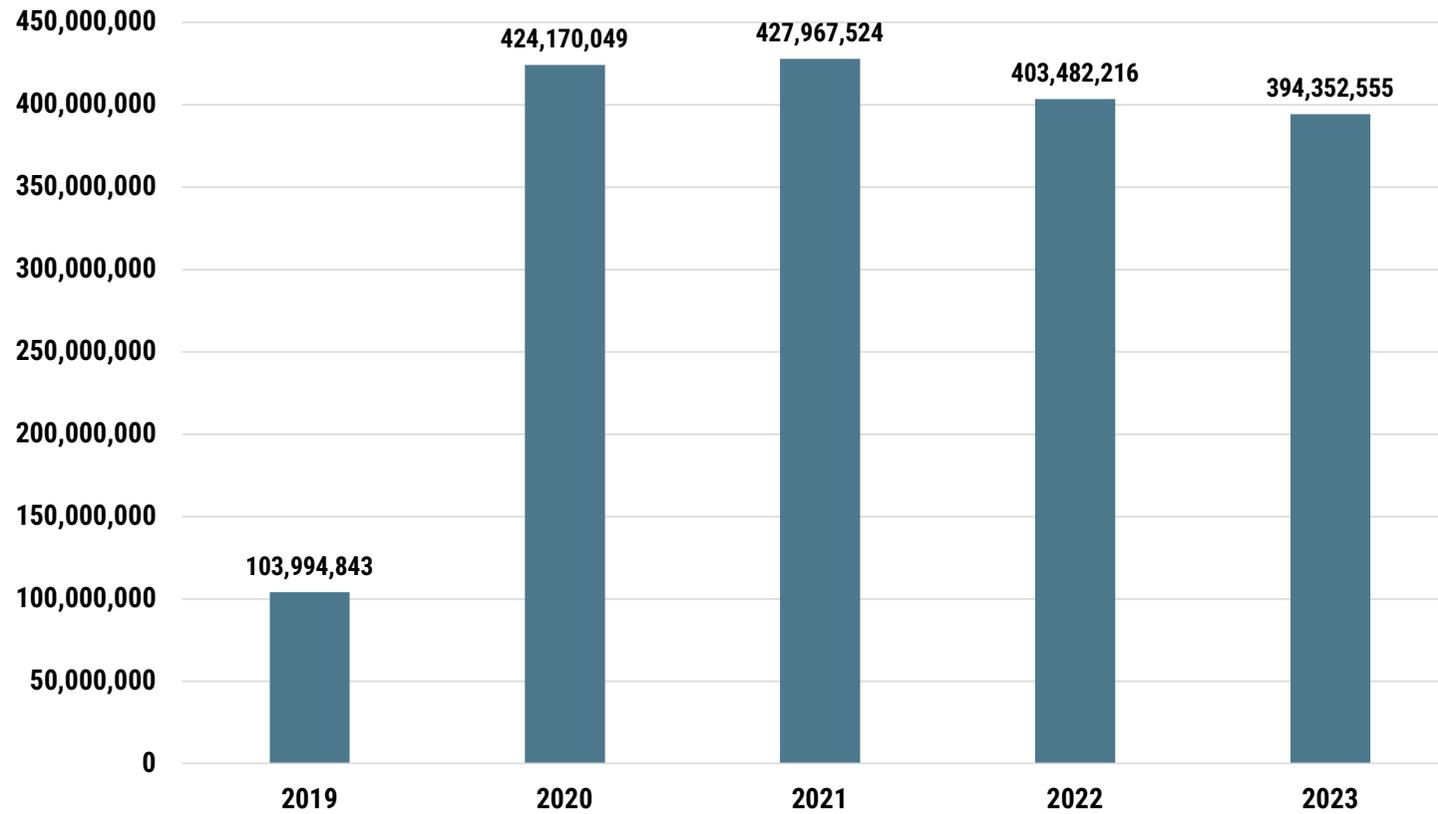
Outstanding Guaranteed Loans Portfolio 2021 – 2020

Portfolio	2023		2022	
	No.	Guaranteed Value	No.	Guaranteed Value
SMEs Loan Guarantees	1,648	41,022,864	1,696	37,859,984
Industrial Finance Loans	607	96,003,884	442	54,412,887
National Program - covid-19 (Work on the program was suspended in April 2023)	3,506	216,360,026	5,225	272,374,807
Small Startups program	815	26,676,838	795	24,460,492
Central Bank's Program Guarantee for Financing Micro and Small Companies	801	3,657,613	373	2,169,573
Housing Loans (Gradual exit from the program)	573	10,631,330	682	12,204,473
Total	7,950	394,352,555	9,213	403,482,216

Number of Guaranteed Loans 2019 - 2023



Loan Guarantee Portfolio 2019 - 2023

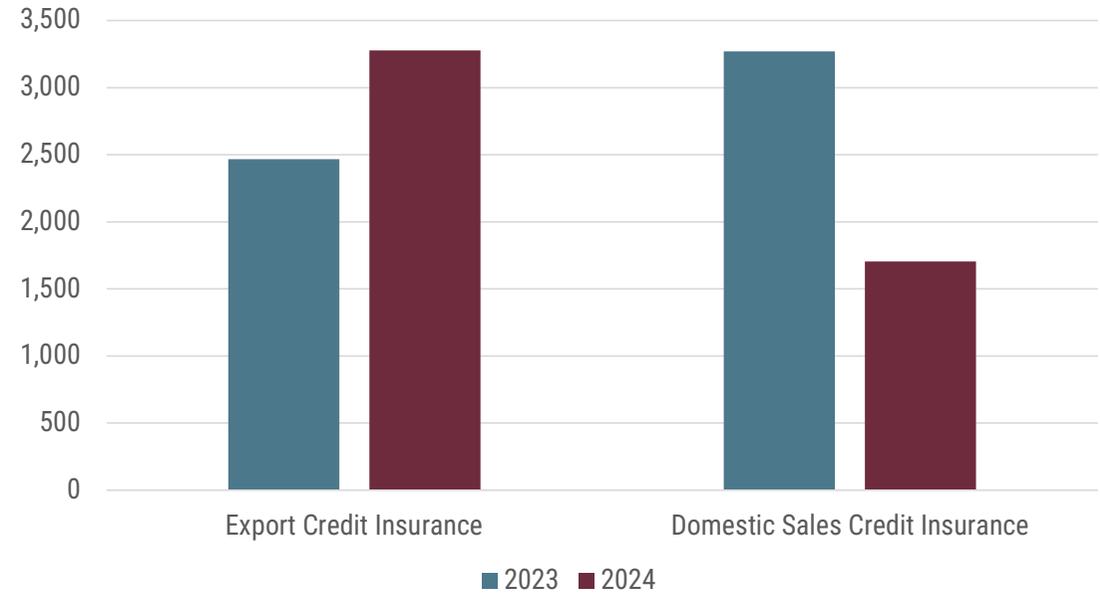


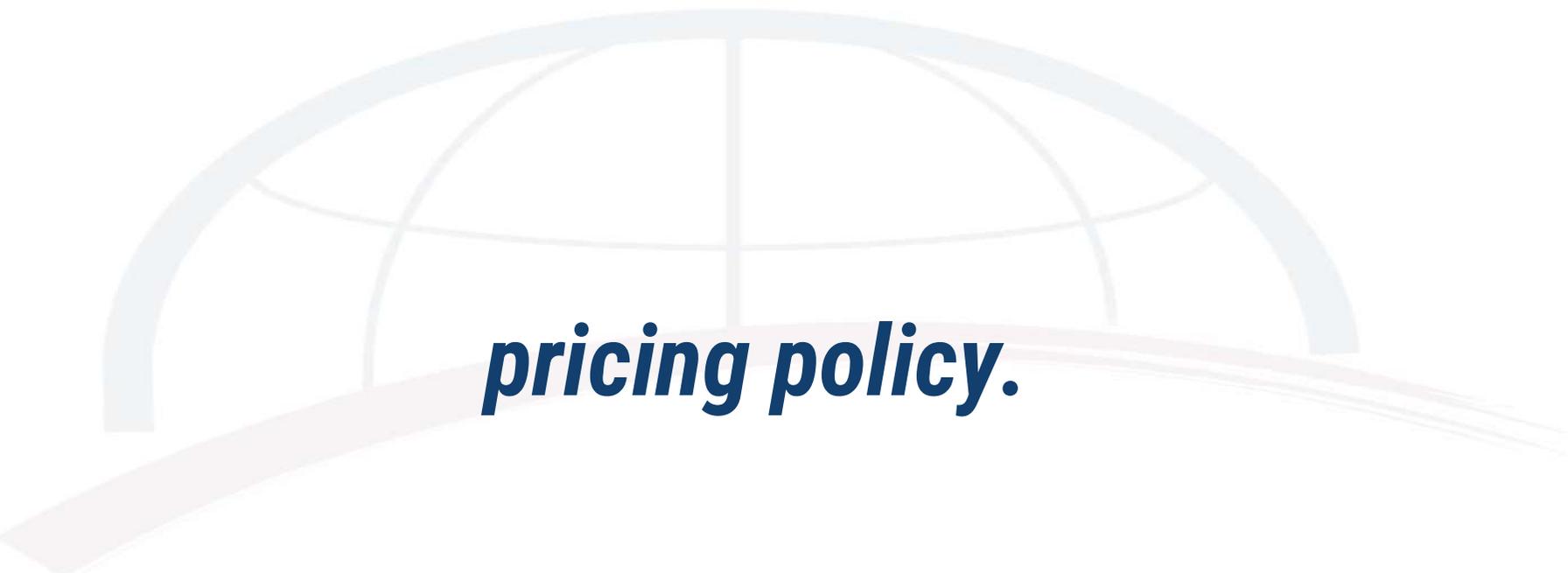
Export Credit & Domestic Sales Insurance Operational performance

Insured Shipments 2023 – Q1 2024

Shipments	2023/JOD		Q1 2024/JOD		2024 / jod On annual basis	
	No.	Guaranteed Value	No.	Guaranteed Value	No.	Guaranteed Value
Export Credit Insurance	2466	187,146,266	1092	47,918,797	3,276	143,756,391
Domestic Sales Credit Insurance	3270	580,814	568	331,279	1,704	993,837
Total	5736	187,727,080	1,660	48,250,076	4,980	144,750,228

Number of Insured Shipments





pricing policy.

Product and pricing

- ***This process takes place within the framework of the company's governance policy So that a concept for pricing the product is developed through the Business Unit with the risk and financial .***
- ***After that, it is approved by the Senior management and then approved by the Board of Directors.***
- ***It should be noted that the price structure currently is based on our experiences in the Jordanian market With the company's constant aspiration to work on reducing guarantee commission rates to support MMSEs , Access to finance .***

Pricing strategy

1

sources of funds

2

Risk margin

3

Overheads and operational cost .

Loan Guarantee Coverage Ratio and Ceilings

Productive Loans Guarantee Programs	Guarantee commission percentage	pricing
SMEs Loan Guarantees (Traditional banks)	from%1 to % 1.5	The commission is calculated according to a specific ceiling with banks and is calculated monthly and collected quarterly.
Industrial Loan Guarantees	% 0.075	The commission is calculated from the date of implementation of the financing on the balance guaranteed by the company and is calculated monthly and collected quarterly and for each case by case.
"Kafala" Program- Islamic Financing	<ul style="list-style-type: none"> • % 0.00425(Industries & services) • %0.0085 (Trade) 	The commission is calculated from the date of implementation of the financing on the balance guaranteed by the company, and is calculated for the entire financing period and collected in advance.
Small Startups program	1 % & 0.00425	<ul style="list-style-type: none"> • For Islamic banks % 0.00425 : The commission is calculated from the date of implementation of the financing on the balance guaranteed by the company, and is calculated for the entire financing period and collected in advance. • For traditional banks, 1%: The commission is calculated on a monthly basis and is collected quarterly
Note :	<ul style="list-style-type: none"> • Commissions on guaranteed loans for the industrial and service sector were reduced from 1.0% to 0.0075 based on a decision from the Central Bank during the Corona crisis, and the reduction has continued until this moment. • The commission for the emerging projects program was also reduced from % 1.5to % 1 during the same period and based on the Central Bank's decision to support the continuity of small and emerging companies in their business during the Corona crisis. 	



financial position for the last two years

Financial Performance Summary

Revenues and Expenses	2023	2022
Operational Revenues	3,287,381	3,104,093
Investment Revenues	2,713,269	1,761,846
Other Revenues	826,890	717,132
Total Revenues	6,827,540	5,583,071
(Less) General and Administrative Expenses	(2,334,108)	(2,033,700)
Gross Profit / (Loss)	4,493,432	3,549,371
(less) Provisions and other fees	(2,326,851)	(2,110,951)
(less) income tax	(339,668)	(287,893)
Net Income	1,826,913	1,150,527
The ratio of operating revenues to operating expenses.	141%	153%

JLGC Future Plans

JLGC Future Plans

- Continuing to review and develop existing programs.
- Providing new programs for various economic sectors.
- Strengthening communication with all economic sectors.
- Develop internal work policies and procedures.
- Continuing to cooperate with international institutions and bodies to provide support for Loan Guarantee and Export Credit Guarantee programs to support national economy.

Thank You !

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