Social Security Corporation –

Social Security Investment Fund

Consolidated Financial Statements

31 December 2023

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INDEPENDENT AUDITOR'S REPORT

TO THE CHAIRMAN AND THE MEMBERS OF INVESTMENT BOARD
SOCIAL SECURITY CORPORATION - SOCIAL SECURITY INVESTMENT FUND
Amman- Jordan

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Social Security Investment Fund (the "Fund") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of revenues and expenses, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International *Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Report on other legal and regulatory requirements

The Fund maintains proper books of accounts, which are in agreement with the accompanying consolidated financial statements.

ERNST & YOUNG
Amman - Jordan

Amman – Jordan
22 July 2024

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023
(IN THOUSANDS OF JORDANIAN DINARS)

	Notes	2023	2022
Assets			
Cash and bank balances	3	22,623	31,906
Deposits at banks and financial institutions	4	1,921,614	1,758,150
Financial assets at fair value through profit and loss	5	141,795	146,126
Loans and granted debts, net	6	499,240	397,735
Financial asset at fair value through other comprehensive income	7	1,601,068	1,743,436
Investments in associates	8	542,084	518,134
Financial assets at amortized cost	9	8,735,986	7,869,691
Subscribers' contributions and rural fils assets	10	205,888	202,041
Projects under constructions	11	122,222	120,836
Inventories	12	33,255	36,349
Property and equipment, net	13	408,664	376,659
Investment properties	14	898,449	862,192
Investments in joint operations	15	15	15
Due from a related parties	37/A	181	251
Intangible assets, net	16	65,356	69,629
Other assets	17	419,129	442,286
Total assets		15,617,569	14,575,436
Liabilities and Equity			
Liabilities-			
Subscribers' contributions and rural fils liabilities	10	205,888	202,041
Electricity service subscribers' deposits	18	90,838	85,456
Advance payments from electricity subscribers	19	24,751	22,550
Due to National Electric Power Company	20	143,949	227,537
Bank loans	21	64,327	70,629
Income tax provision	44	5,914	10,034
End of service indemnity provision	22	24,078	22,333
Due to banks	23	89,324	40,355
Due to related parties	37/B	537	55
Other liabilities	24	205,026	202,187
Total liabilities		854,632	883,177
Equity-			
Social Security Corporation Equity-			
Social security corporation current account		7,349,136	6,972,968
Social security corporation current account – unemployment fund	27	93,573	84,910
Property and equipment revaluation reserve	25	31,812	31,812
Fair value reserve, net	26	453,487	577,896
Cash flow hedges reserve		3,860	4,469
Surplus of revenues over accumulated expenses		6,779,205	5,966,777
Net Social Security Corporation Equity		14,711,073	13,638,832
Non-controlling interest		51,864	53,427
Net Equity		14,762,937	13,692,259
Total liabilities and equity		15,617,569	14,575,436

The attached notes from 1 to 46 represent part of these consolidated financial statements

Social Security Corporation – Social Security Investment Fund
Consolidated Statement of Revenues and Expenses
For the year ended 31 December 2023
(In Thousands of Jordanian Dinars)

	Notes	2023	2022
Operating revenues -			
Hotels		38,680	35,525
Press and publication		5,764	5,468
Energy		581,998	583,919
Commercial		66,821	55,955
Others		8,256	8,408
Gross revenues		701,519	689,275
Cost of revenues		(542,206)	(519,781)
Net operating revenues	29	159,313	169,494
Interest income	30	642,266	532,655
(Loss) gains on financial assets at fair value through profit and loss	31	(3,912)	10,542
Group's share of associates' net operating results	8	51,785	45,648
Gains on investment properties, net	32	28,096	39,661
Cash dividends distribution	33	115,572	84,958
Other revenues		19,861	28,599
Net revenues		1,012,981	911,557
Expenses-			
General and administrative expenses	34	(90,579)	(91,048)
Energy and maintenance expenses		(15,099)	(6,329)
Selling and distribution expenses		(7,037)	(5,789)
Depreciation of property and equipment	13	(32,134)	(30,189)
Amortization of intangible assets	16	(4,316)	(3,725)
Provision for expected credit losses		(3,214)	(17,164)
Provision for slow-moving inventory	12	(633)	(856)
Finance cost	35	(7,845)	(6,848)
Provision from contingent liabilities	24	(1,092)	(473)
Other expenses		(2,547)	(1,378)
Total expenses		(164,496)	(163,799)
Surplus of revenues over expenses for the year before income tax		848,485	747,758
Income tax expense	44	(7,359)	(11,233)
Surplus of revenues over expenses for the year		841,126	736,525
Attributable to:			
Social Security Investment Fund		831,654	723,776
Non-controlling interest		9,472	12,749
		841,126	736,525

The attached notes from 1 to 46 represent part of these consolidated financial statements

CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2023
(IN THOUSANDS OF JORDANIAN DINARS)

	2023	2022
Surplus of revenues over expenses for the year	841,126	736,525
Add: other comprehensive income not to be reclassified to revenues and expenses in subsequent periods		
Change in fair value of financial assets through other comprehensive income	(138,803)	296,068
Group's share of net loss of hedging cash flow	(870)	11,761
Total comprehensive income for the year	701,453	1,044,354
Attributable to:		
Social Security Investment Fund	692,237	1,028,028
Non-controlling interest	9,216	16,326
	701,453	1,044,354

Social Security Corporation – Social Security Investment Fund
Consolidated Statement of Changes in Equity
For the year ended 31 December 2023
(In Thousands of Jordanian Dinars)

	Social Security Corporation current account	Social Security Corporation current account – Unemployment Fund	Property and equipment revaluation reserve	Fair value reserve, net	Cash flow hedges reserve	Surplus of revenues over accumulated expenses	Net Social Security Corporation equity	Non-controlling interest	Net equity
2023-									
Balance as at 1 January 2023	6,972,968	84,910	31,812	577,896	4,469	5,966,777	13,638,832	53,427	13,692,259
Surplus of revenues over expenses for the year	-	-	-	-	-	831,654	831,654	9,472	841,126
Change in fair value of financial assets through other comprehensive income	-	-	-	(138,808)	-	-	(138,808)	5	(138,803)
Group's share of cash flow hedges reserve (note 8)	-	-	-	-	(609)	-	(609)	(261)	(870)
Loss on sale of financial assets through other comprehensive income	-	-	-	14,399	-	(14,399)	-	-	-
Cash transferred during the year, net	376,168	3,836	-	-	-	-	380,004	-	380,004
Unemployment Funds' share of the investment Funds' returns	-	4,827	-	-	-	(4,827)	-	-	-
Dividends from non-controlling interest	-	-	-	-	-	-	-	(10,779)	(10,779)
Balance as at 31 December 2023	7,349,136	93,573	31,812	453,487	3,860	6,779,205	14,711,073	51,864	14,762,937
2022-									
Balance as at 1 January 2022	6,542,251	183,464	31,812	280,782	(3,764)	5,241,263	12,275,808	43,951	12,319,759
Surplus of revenues over expenses for the year	-	-	-	-	-	723,776	723,776	12,749	736,525
Reclassification of the Social Security Corporation current account and Unemployment Fund	59,521	(68,565)	-	-	-	9,044	-	-	-
Change in fair value of financial assets through other comprehensive income	-	-	-	296,019	-	-	296,019	49	296,068
Group's share of cash flow hedges reserve (note 8)	-	-	-	-	8,233	-	8,233	3,528	11,761
Realized gain on sale of financial assets through other comprehensive income	-	-	-	1,095	-	(1,095)	-	-	-
Cash transferred during the year, net	371,196	(36,200)	-	-	-	-	334,996	-	334,996
Unemployment Funds' share of the investment Funds' returns	-	6,211	-	-	-	(6,211)	-	-	-
Dividends from non-controlling interest	-	-	-	-	-	-	-	(6,850)	(6,850)
Balance as at 31 December 2022	6,972,968	84,910	31,812	577,896	4,469	5,966,777	13,638,832	53,427	13,692,259

The attached notes from 1 to 46 represent part of these consolidated financial statements

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023
(IN THOUSANDS OF JORDANIAN DINARS)

	Notes	2023	2022
Operating activities			
Surplus of revenues over expenses for the year before income tax		848,485	747,758
Adjustments -			
Depreciation of property and equipment	13	32,134	30,189
Amortization of intangible assets	16	4,316	3,725
End of service indemnity provision	34	3,987	4,173
Group's share of associates' net operating results	8	(51,785)	(45,648)
Loss (gains) of revaluation of financial assets at fair value through profit or loss	31	4,046	(10,532)
Realized gains on sale of financial assets at fair value through profit or loss	31	(136)	(11)
Provision for slow-moving inventory	12	633	856
Provision for expected credit losses		4,796	23,784
Recovered from provision for expected credit losses		(1,582)	(6,620)
Gains on investment property valuation at fair value	32	(22,425)	(36,309)
Finance costs		7,845	6,848
Provision for contingent liabilities	24	1,092	473
Working capital changes-			
Deposits at banks and financial institutions with maturity of more than three months		(568,956)	612,091
Financial assets at fair value through profit or loss		421	141
Inventories		2,461	(11,482)
Other assets		21,238	103,263
Due from related parties		70	(251)
Electricity service subscribers' deposits		5,382	6,297
Advance payments from electricity subscribers		2,201	3,610
Due to National Electric Power Company		(83,588)	(103,700)
Due to related parties		482	55
Other liabilities		2,958	43,402
Payments of end of service indemnity	22	(3,496)	(1,600)
Income tax paid	44	(12,004)	(7,359)
Net cash flows from operating activities		198,575	1,363,153
Investing activities			
Financial assets at fair value through other comprehensive income		632	(7,350)
Financial assets at amortized cost		(865,299)	(788,110)
Investments in associates	8	3,318	5,240
Dividends received from associates	8	26,580	18,174
Investment properties	14	(11,892)	(13,200)
Property and equipment and projects under constructions, net		(66,211)	(40,070)
Loans and granted debts		(100,919)	(50,839)
Intangible assets	16	(43)	(17,724)
Net cash flows used in investing activities		(1,013,834)	(893,879)
Financing activities			
Net amounts transferred from Social Security Corporation		380,004	334,996
Bank loans		(6,302)	21,218
Dividend distribution to non-controlling interest		(10,779)	(6,850)
Finance costs paid		(7,845)	(6,848)
Paid from contingent liabilities provision	24	(1,211)	(467)
Net cash flows from financing activities		353,867	342,049
Net (decrease) increase in cash and cash equivalents		(461,392)	811,323
Cash and cash equivalents at 1 January		1,088,589	277,266
Cash and cash equivalents at 31 December	36	627,197	1,088,589

The attached notes from 1 to 46 represent part of these consolidated financial statements

(1) GENERAL

Social Security Investment Fund was established in accordance with the Social Security Fund's Investment Law No. (111) for the year 2001 and in conjunction with article (76) of the Social Security Law No. (19) for the year 2001. The date 1 January 2003 was considered the date for commencing the Fund's activities, as the balances of investment accounts and other related accounts on that date were transferred from the records of the Social Security Corporation to the records of the Fund pursuant to the decision of the Board of Directors of the Social Security Corporation No. 1/2003 dated 2 January 2003.

In accordance with Social Security temporary law No. (7) of 2010 the name of the Investment Fund was modified to become "Social Security Investment Fund" (The Fund). The Fund's registered address Abdul Rahman Arshidat St. Shmeisani, P.O.Box 850633, Amman 11185, The Hashemite Kingdom of Jordan.

The Fund's main activity is to manage the investments of the Social Security Corporation in a manner that ensures the development of its financial resources, and in order to achieve the Social Security Corporation's objectives, the Fund undertakes the following tasks:

- Establishing projects in cooperation with the public and private sectors on corporation investments.
- Underwriting purchasing and selling of bonds, bills and other securities.
- Purchasing and selling quoted or unquoted shares in Amman Stock Exchange.
- Investing in cash deposits with the banking system with appropriate returns.
- Contributing in mutual investment funds.
- Contributing in the financing of national projects of economic feasibility by providing long-term loans and against appropriate guarantees.
- Purchase, sale and development of properties for the purpose of acquisition, participation, investment or trading.
- Carry out any investment activities approved by the Investment Board and approved by the Board of Directors of the Social Security Corporation.
- Conducting economic feasibility studies for the projects it intends to invest in, and in this field, to use the role of experts and specialists.
- Follow-up on the performance of the institutions in which the corporation contributes, and report on the performance of these companies, along with recommendations to the Board of Investment.

The consolidated financial statements of the Social Security Investment Fund for the year 2023 have been approved by the Board of Investment on its meeting held on 27 June 2024.

(2) ACCOUNTING POLICIES

(2-1) BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared in accordance with historical cost convention, expect for the financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and investment properties which have been presented at fair value at the date of these consolidated financial statements.

The consolidated financial statements have been presented in Jordanian Dinars (JD) which is the functional currency of the Group.

(IN THOUSANDS OF JORDANIAN DINARS)

(2-2) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Social Security Investment Fund and the financial statements of its subsidiaries

The consolidated financial statements comprise the financial statements of the Social Security Investment Fund and the financial statements of its subsidiaries. ("the Group") as at 31 December 2023. The subsidiaries that have been included in the consolidated financial statements are as follows:

	Sector	Paid in capital		Percentage of Ownership	
		2023	2022	2023	2022
		JD	JD	%	%
Jordan Press Foundation Public Shareholding Company / Al-Rai	Press and publication	10,000,000	10,000,000	54,9	54,9
Jordanian Duty Free Shops Public Shareholding Company	Trading	22,500,000	22,500,000	56,5	56,5
Al-Daman for Investment Public Shareholding Company	Investment and leasing	10,000,000	10,000,000	61,4	61,4
Rama for Investments and saving LLC	Investment	560,000	560,000	100	100
National Company for Touristic Development LLC	Tourism	2,050,000	2,050,000	100	100
United Terminal Travelling Center for Foreign Travel Cars LLC*	Leasing	1,500,000	1,726,202	100	100
Al Daman for Lease Financing LLC	Finance leasing	500,000	500,000	100	100
Al Daman for Hotel Transport Services LLC	Services	100,000	100,000	100	100
Kingdom Electricity Company for Energy Investments Private Shareholding**	Energy investments	50,000	50,000	70	70
Daman for Development Zones Private Shareholding ***	Land leasing and development	40,000,000	40,000,000	100	100
Jordan Daman Company for International Business LLC****	Investment	300,000	300,000	100	100
Al-Daman Investment and Agricultural Industries Private Shareholding *****	Agricultural investments	6,200,000	6,200,000	100	100

* The General Assembly of the United Travelling Center LLC decided in its extraordinary meeting held on 12 April 2023 to reduce its capital by JD 226,202, so that the quoted and paid in capital becomes JD 1,500,000, and an amount of JD 226,202 was returned to the Investment Fund.

** The financial statements of Kingdom Electricity Company for Energy Investment Private Shareholding Company include the following subsidiaries:

	Percentage of Ownership	Country of Incorporation
Electricity Distribution Company Public Shareholding Company and its subsidiary	100%	Jordan
Irbid District Electricity Company Public Shareholding Company*	55.52%	Jordan

* Electricity Distribution Company owns 55.46% of Irbid District Electricity Company, which represents the actual ownership percentage of the Group, in addition to 0.06% of direct ownership of Kingdom Electricity Company for Energy Investment in Irbid District Electricity Company.

*** The financial statements of Daman for Development Zone Private Shareholding Company include the following subsidiaries:

	Percentage of Ownership	Country of Incorporation
Al-Mafraq Development Company	80%	Jordan
North Development Company	100%	Jordan

**** The financial statements of Jordan Daman Company for International Business include the following subsidiary:

	Percentage of Ownership	Country of Incorporation
Jordan Daman Company for International Investments	100%	Jordan

Hotels and resorts that have been included in the consolidated financial statements and are fully owned by the Fund are as follows:

- Amra Crowne Plaza Hotel - Amman
- Crowne Plaza Hotel Petra and its Rest House
- Intercontinental Hotel - Aqaba
- Holiday Inn Hotel – Dead Sea
- Crowne Plaza Resort – Dead Sea

The financial statements of the Fund and its subsidiaries are prepared using the same accounting period as the Funds and using the same accounting policies, except for Investment properties for Al Daman for Investments Public Share Holding Company and National Company for Touristic Development which are presented at cost in the companies' financial statements. However, they are presented at fair value and proper reconciliations are prepared in the Fund's consolidated statements.

Control is achieved when the Group has the rights to variable returns from its involvement with the company it has invested in and has the ability to affect those returns through its power over the investee. Control over the investee is exercised when the following factors exist:

- Power over the investee (i.e., existing rights that give the Group the ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

When the Group owns less than a majority of the voting rights in an investee, in this case, the Group considers all factors and circumstances to determine whether it has control over the investee, which include the following:

- Contractual agreements with shareholders that have voting rights in the investee
- Rights resulting from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, expenses and revenues of a subsidiary acquired during the year are included in the consolidated financial statements from the date the Group obtains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group's loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of subsidiary.
- Derecognizes the carrying amount of any non-controlling interest.
- Derecognizes the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained by subsidiary.
- Recognizes any gains or losses as a result of losing control.
- Reclassifies the Group's share of components previously recognized in other comprehensive income to profit or loss.

(2-3) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2022 except for the adoption of new amendments on the standards effective as of 1 January 2023 shown below:

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 has been applied retrospectively on 1 January 2023. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This standard is not applicable to the Group's.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments had no impact on the Group's Consolidated financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective from 1 January 2023, and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments had no impact on the Group's Consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are effective from 1 January 2023. and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments had no impact on the Group's Consolidated financial statements.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

- • Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Group's consolidated financial statements.

(2-4) SIGNIFICANT ACCOUNTING POLICIES

Financial assets at amortized cost

Financial assets that the Group's management aims, according to its business model to hold to collect their contractual cash which represents the principal amount and the interest on the outstanding principal amount.

These financial assets are initially measured at cost plus transaction costs. Subsequently premium/discount is amortized using the effective interest rate method, increasing or decreasing the interest. Any provisions resulting from the impairment in their value that lead to the inability to recover the asset or a part of it shall be written-off . The losses arising from impairment are recognized in the consolidated statement of revenues and expenses.

The amount of the impairment consists of the difference between the book value and present value of the expected future cash flows discounted at the original effective interest rate.

No assets may be reclassified from/to this item except in the cases specified in IFRS and, (if any such asset is sold before its maturity date, the result of the sale is recognized in the consolidated statement of revenues and expenses in a separate line and disclosed in accordance with the requirements of International Financial Reporting Standards In particular).

Financial assets at fair value through profit or loss

These assets represent investments in companies' shares for trading purposes and are intended to generate profits from fluctuations in short-term market prices or trading profit margins.

Financial assets at fair value through profit or loss are initially measured at fair value (transaction costs are recorded in the consolidated statement of revenues and expenses at the purchase date), subsequently, these assets are revalued at fair value. Gains or losses arising on subsequent measurement of these financial assets including the change in fair value arising from non-monetary assets in foreign currencies are recognized in the consolidated statement of revenues and expenses. When these assets or portion of these assets are sold, the gain or loss arising is recorded in the consolidated statement of revenues and expenses.

Dividend and interest income are recorded in the consolidated statement of revenues and expenses.

Financial assets at fair value through other comprehensive income

These assets represent investments in equity instruments for the purpose of retention over the long-term.

These financial instruments are initially measured at their fair value plus transaction costs. Subsequently, they are revalued at fair value. Gains or losses arising on subsequent measurement of these equity investments including the change in fair value arising from non-monetary assets in foreign currencies are recognized in the consolidated statement of comprehensive income. In case of sale of such asset or part of it, the gain or loss is recorded in the consolidated statement of comprehensive income and in the consolidated statement of changes in equity and the fair value reserve balance for sold assets is directly transferred to the accumulated surplus of revenues over expenses and not through the consolidated statement of profit or loss.

It is not permitted to reclassify assets to/from this item except in certain circumstances determined in IFRS.

These financial assets are not subject to impairment testing.

Dividend income is recognized in the consolidated statement of revenues and expenses.

Loans and granted debts

Loans are recognized at fair value, subsequently they are amortized using the effective interest rate method.

A provision for expected credit losses for loans and granted debts is recognized through reaching an estimation for the probability of default and the percentage of loss assuming default. The Fund relies on several main economic indicators in building a number of assumptions, mainly GDP growth indicators, the financial market index and debt indicators in addition to the classification issued by the credit rating institution and according to the statistical data of the global default rate of this classification.

Fair value

The Group measures its financial instruments such as financial assets at fair value through other comprehensive income at the date of the consolidated financial statements as disclosed in (note 38).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability.

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group's.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

(IN THOUSANDS OF JORDANIAN DINARS)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Group uses the following valuation methods and alternatives in measuring and recording the fair value of financial instruments:

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements or have been written-off are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Impairment of financial assets

The Group's recognizes a provision for expected credit losses for all debt instruments not held at fair value, in the consolidated of revenue or expenses. Expected credit losses rely on the difference between accrued Contractual cash flows in accordance to the contract and all cash flows the Group expects to receive, discounted at the original effective interest rate. The expected cash flows include cash flows from the sale of held collaterals or other credit enhancement that are an integral part of the contractual terms (if any).

The Group's management calculates the provision based on its historical credit loss experience adjusted for the future factors of debtors and the economic environment.

Property and equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment in value. Depreciation is calculated using the straight-line method, (except for lands), over the estimated useful lives of property and equipment when they are ready for use, Depreciation rates used are as follows:

	%
Buildings	2-10
Meters, cables, and pumps	10
Furniture and fixtures	9-25
Machinery and equipment	3-20
Vehicles	15-20
Additions and improvements	15
Computers	20-25
Electromechanical equipment	15
Sanitary extensions	15
Others	10-20

When the recoverable value of property and equipment is less than their carrying amount, assets are written down to its recoverable amount and impairment losses are recognized in the consolidated statement of revenues and expenses.

Useful lives of property and equipment are reviewed at the end of each year. If the expectations of useful lives are different from the previous estimates, the change is accounted for as changes in estimate in future periods.

Goodwill

Goodwill is initially measured at cost which represents the excess of the cost of acquisition or purchase of investment in an associate or subsidiary company over the Group’s share in the net fair value of the identifiable assets at the date of acquisition. Goodwill arising from the investment in subsidiaries is separately presented within intangible assets, while goodwill arising from the investment in associates is recognized within investment in associates and subsequently adjusted for any impairment losses.

Goodwill is allocated to each of the Group’s cash-generating units, or groups of cash generating units for the purpose of impairment testing.

Goodwill is reviewed for impairment at the date of the consolidated of the financial statements, if events or conditions indicate that the estimated recoverable amount of a cash-generating unit or group of cash-generating units is less than their carrying amount, impairment losses are recognized in the consolidated statement of revenues and expenses.

Intangible assets

Intangible assets are classified based on the assessment of their useful life to definite and indefinite. Intangible assets with definite lives are amortized over the useful economic life and amortization expenses are recognized in the consolidated statement of profit or loss, while intangible assets with indefinite useful lives are assessed for impairment at each reporting date and impairment loss is recognized in the consolidated statement of revenues and expenses.

Internally generated intangible assets are not capitalized and are expensed in the consolidated statement of revenues and expenses during the same year.

Indications of impairment of intangible assets are reviewed and their useful economic lives are reassessed at each reporting date. Adjustments are reflected in the subsequent periods.

Investment properties

Investment properties are stated at cost including the acquisition costs and is measured subsequently at fair value which primarily reflects the conditions and market prices as of the date of the consolidated financial statements.

Gains and losses resulting from changes in the fair value of investment properties are recognized in the consolidated statement of revenues and expenses.

Investment properties are valued using assumptions that reflect market prices using the average valuation for five independent real estate experts after excluding the highest and lowest valuations. Investment properties purchased during the year are valued using the purchase price.

End of service indemnity provision

Provision for end of service indemnity is recognized when the Group is committed to providing its employees with end of service indemnities. The Group is obligated when it has a detailed formal compensation plan and there is no real prospect of withdrawing the plan. Provision for end of service indemnity is measured based on the Group's number of employees at the date of the consolidated financial position in accordance with the Group's internal policies and IAS (19) social Security Investment Fund's employees are subject to civil services rules.

Trade payable and accruals

Liabilities are recognized for amounts to be paid in the future for services received, whether billed by the supplier or not.

Loans

After initial recognition, interest bearing loans are subsequently measured at amortized cost using the effective interest method. Profits and losses are recognized in the consolidated statement of revenues and expenses when the obligation is paid. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The finance costs are included in the consolidated statement of profit or loss.

Accounts receivable

Accounts receivable are stated at original invoice amount less any provision of expected credit losses. The Group applies a simplified approach in calculating estimated credit losses. The Group has historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. A balance is written off when there is no reasonable expectation of recovering the contractual cash flows.

Leases

The Group as a lessee
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right of use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right of use assets is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right of use assets are subject to impairment.

Lease contract liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate in accordance with the terms of the contract, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to some of its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group as a lessor
Operating lease income is recognized as rental income in the consolidated statement of revenues and expenses on a straight-line basis over the lease term.

Revenue and expense recognition

Revenues are recognized in accordance with IFRS (15) – Five step model, which specifies the contract, price, performance obligations and recognizing revenues based on the fulfillment of performance obligations.

The Group recognizes revenue from the sale of newspapers, distribution of advertisements and commercial press revenues at a certain point in time at which the control of the asset is transferred to the customer upon the delivery of goods.

Interest income is recognized on a timely basis to reflect the return on assets.

Dividends on investment securities are recognized when approved by the General Assemblies of the investees.

Revenue from the sale of energy is recognized when used by consumer and an invoice has been issued.

Hotel revenues represent revenues recognized from providing hotel rooms to customers. Hotel revenues (stay in) are recognized once the service is provided.

Food and beverage revenues represent revenues recognized from providing food and beverage to consumers through the room service department in addition to restaurants inside the hotel. Food and beverage revenues are recognized once the service is provided and an invoice is issued to the customer which usually occurs at a certain period of time.

Rent revenues represent revenues recognized through providing rental services to customers where payments from tenants are recorded as unrealized and are recognized at the start of the contract period over the life of the contract.

Revenue from the Sale of goods

The Group recognizes revenues from the sale of goods at the fair value of considerations received or to be received and when there is a reasonable possibility for collection in accordance with IFRS (15). The Group recognizes revenues from the sale of goods at a certain point in time at the date in which control is transferred to the customer. Generally, when goods are delivered, and an invoice is issued to the customer.

Recognition of financial assets

Purchases and sales of financial assets are recognized at the date of trade (that is the date the Group commits to purchase or sell the asset).

Derivative financial instruments

Trading financial derivatives are stated at fair value for trading purposes (such as future interest rates, swap agreements and foreign currency option contracts) in the consolidated statement of financial position within other assets or other liabilities. Fair value is measured according to the prevailing market prices, the change in their fair value is recognized in the consolidated statement of revenues and expenses.

Repurchase and resale agreements

Assets sold with a corresponding commitment to repurchase them at a future date continue to be recognized in the consolidated financial statements as a result of the Group's continuous control over these assets and as the related risks and rewards are transferred to the Group upon occurrence. They also continue to be measured in accordance with the adopted accounting policies. Amounts received against these contracts are recorded within liabilities under borrowed funds. The difference between the sale price and the repurchase price is recognized as an interest expense amortized over the contract period using the effective interest rate.

Purchased assets with corresponding commitment to sell at a specific future date are not recognized in the consolidated financial statements because the Group has no control over such assets and the related risks and rewards are not transferred to the Group upon occurrence. Payments related to these contracts are recorded under deposits at banks and other financial institutions or loans. The difference between the purchase price and resale price is recorded as interest revenue amortized over the life of the contract using the effective interest rate method.

Investments in associates

An affiliates is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee. The Group's investments in associates are accounted for using the equity method.

Investments in affiliates appear in the consolidated statement of financial position by cost in addition to the Group's share of changes in the affiliate's net assets. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually. The consolidated statement of revenues and expenses reflects the Group's share of the results of operations of the associate. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Inventory

Inventory is valued at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Income tax

- Income tax expense represents accrued tax and deferred tax.

- Income tax expenses are accounted for on the basis of taxable income. Taxable income differs from income declared in the consolidated financial statements as the declared income includes non-taxable revenue or non deductible expenses in the current year, but deductible in subsequent years, accumulated losses acceptable by the tax authorities, and items not accepted for tax purposes or subject to tax.

- Taxes are calculated on the basis of tax rates prescribed according to the prevailing laws, regulations and instructions of the Hashemite kingdom of Jordan. Social Security Corporation revenues are exempted from income tax by law except for rental revenues, revenue of some hotels and foreign investments.

- Deferred taxes are taxes expected to be paid or recovered as a result of temporary differences in the value of assets or liabilities in the consolidated financial statements and the value upon which taxable income is calculated. Deferred taxes are calculated using the liability method on the consolidated financial statements and are calculated based on the tax rates expected to be implemented upon the settlement of a tax commitment or upon the realization of deferred tax asset.

- Deferred tax assets and liabilities are reviewed as of the date of the consolidated financial statements and reduced in case it is expected that no benefit will arise therefrom, partially or totally.

Cash and cash equivalents

Cash and cash equivalents maturing within three months net of bank overdrafts comprise: cash on hand, balances with the Central Bank of Jordan and balances with banks and financial institutions.

Subscribers' contributions assets and liabilities

These assets are stated separately based on the Energy and Mineral Regulatory Commission regulations within assets under subscribers' contributions assets, with a similar contra liability account under subscribers' contributions liabilities with the same amount.

Amortization of these assets at an annual rate of 4% along with the amortization of subscriber's contributions liabilities. The amortization of assets and liabilities of subscribers' contributions is offset, and accordingly has no impact on the consolidated statement of revenues and expenses.

Rural fils assets

This term represents the infrastructure assets used to connect the electricity network to rural areas. It is recorded under asset as rural fils assets and is offset with a liability under the term rural fils liabilities carrying the same amount, and that is to conform with the legislations.

Rural fils assets are depreciated at an annual rate of 4% and the corresponding rural fils liabilities are amortized in the same proportion so that they do not affect the consolidated statement of revenues and expenses.

Investments in joint operations

Joint operations are a contractual agreement between the Fund and other parties in jointly controlled economic activities where financial, operational and strategic policy decisions on project activities require the unanimous approval of the parties involved in the control.

Assets, liabilities, revenues and expenses related to joint operations are recognized by the Group to its percentage of ownership in these operations.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position only if there is a current enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Foreign currency

Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transaction.

Financial assets and financial liabilities denominated in foreign currencies are translated at the average rates prevailing on the date of the consolidated statement of financial position as declared by the Central Bank of Jordan.

Gains or losses resulting from foreign currency translation are recognized in the consolidated statement of revenues and expenses.

Translation differences for non-monetary assets and liabilities denominated in foreign currencies (such as financial assets at fair value through the statement of profit or loss) are recorded as part of the change in fair value.

(2-5) SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements and the application of the accounting policies requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. 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 has made some judgements in applying the Group’s accounting policies. Judgments made by management that have the greatest impact on amounts recognized in the consolidated financial statements are disclosed in the relevant notes to the consolidated financial statements.

Key assumptions relating to future key and other sources of estimation at the date of the consolidated financial statements that may pose significant risk of material changes in the carrying amount of assets and liabilities during the next financial year are also disclosed in the relevant notes to the consolidated financial statements. The Group included its assumptions and estimates in preparing the consolidated financial statements. However, current conditions and estimates related to further developments may change as a result of market changes or circumstances that may arise outside the Group's control. The Group reflects these changes to assumptions once they occur.

Reasonable judgments used in the preparation of the consolidated financial statements are detailed as follows:

- Impairment of investment properties is recorded based on recent valuations approved by the accredited real estate experts for impairment testing purposes and are reviewed periodically.
- Fiscal year is charged with its related income tax expense in accordance with laws, regulations and accounting standards.
- Management periodically reviews the useful lives of property and equipment for the purpose of annual depreciation calculation based on the general state of those assets and expected future useful lives, impairment losses are recorded in the consolidated statement of revenues and expenses.
- A provision recognized for lawsuits raised against the Group based on a legal study prepared by Group's legal counsel and legal advisors upon which future probable risks are determined, those studies are reviewed periodically.
- Management periodically reviews financial assets stated at cost to evaluate any impairment in value, this impairment is recorded in the consolidated statement of profit or loss.

- Fair value levels**:**

The level of the fair value hierarchy in which fair value measurements are categorized is determined and disclosed, and fair value measurements are separated to the stages specified in IFRS. The difference between stage (2) and stage (3) for fair value measurements is an assessment of whether information or inputs are observed and the extent of information that is not observable, which requires careful judgment and analysis of inputs used to measure fair value including consideration of all factors that concern the asset or obligation.

- Provision for expected credit losses:

The determination of a provision for impairment of financial assets requires the Group's management to make significant judgment to estimate the amounts and timing of future cash flows, as well as to estimate any significant increase in the credit risk of financial assets after initial recognition, and to take into account further measurement information for expected credit losses.

The Group determined the value of the provision for impairment of financial assets in accordance with international financial reporting standards.

The Group's policy is to determine common elements on which credit risk and expected credit losses are measured on a (Collective Basis) or an (Individual Basis).

Methodology of application of IFRS (9) (Financial instruments):

Key concepts that have a material impact and require a high degree of management judgment and which have been considered by the Group when applying the standard include the following:

- **Assessment of significant increase in credit risk:**
  An assessment is made as to whether there has been a significant increase in credit risk since inception, The Group compares the risk of default to the financial instrument at the end of each financial period with the risk of default when the financial instrument arises using key concepts of the Group's risk management processes.

  The significant increase in credit risk is assessed annually and separately for each exposure to credit risk based on three factors. If one of these factors indicates a significant increase in credit risk, the financial instrument is reclassified from stage 1 to stage 2:

  1- The Group has set limits to measure the significant increase in credit risk based on the change in the risk of default of the financial instrument as compared its date of inception.
  2- Any reschedules or adjustments made to customer accounts during the evaluation period shall be recognized as an indication of significant increase in credit risk.
  3- IFRS (9) (financial instruments) includes an assumption that there is a significant increase in the credit risk of financial instruments that have been impaired and have been recognized for more than 30 days. A substantial increase in the credit risk of financial instruments that have defaulted and matured for over 60 days which will be reduced to 30 days within 3 years. In this respect the Group adopted a 45 days period.

The change between stage 2 and stage 3 depends on whether the financial instruments are impaired at the end of the financial period.

- **Macrocosmic factors, expected future events and the use of more than one scenario:**

Historical information, current conditions and expected future events should be considered based on reliable information when measuring expected credit losses for each stage. The measurement and application of expected future information requires the Group's management to make substantial efforts based on cooperation with international entities with expertise in this area.

Probability of default, loss ratio assuming default, impact upon default and inputs used in stage 1 and stage 2 of the credit facility impairment are designed based on variable economic factors (or factors related to changes in macroeconomic) that are directly related to the credit risk associated with the portfolio.

Each macroeconomic scenario used to calculate the expected credit loss in linked to changing macroeconomic factors.

In our estimates used to calculate expected credit losses for stages 1 and 2 discounted weighted scenarios that include future macroeconomic information for the subsequent three years.

The base line scenario is based on macroeconomic forecasts (i.e. GDP, inflation, and interest rates). The ups and downs of economic factors will be developed on the basis of possible alternative economic conditions.

- **Definition of default**

The definition of default used to measure expected credit losses and in the assessment of change between stages is consistent with the concept of default used by the Group's internal credit risk management. The default is not defined in the standard, and there is a presumption that default occurs when the payment is ceased for 90 days or more.

- **Expected life**

When measuring expected credit losses, the Group considers the maximum extent of expected cash flows that the Group considers to be at risk of impairment. All contractual obligations for life expectancy including prepayment options and extension options of some revolving credit facilities with no fixed repayment date is measured based on the Group's exposure to credit risk that management cannot avoid.

- **Scope of application**

Provision for expected credit losses for all financial assets of the Group is measured as follows:

- Monetary market instruments include current accounts, deposits at banks, deposits against pledged bonds and swap contracts.
- Bonds which include Jordanian treasury bonds, government bonds denominated in US dollars, public companies' bonds and private companies' bonds and debts.
- Loans including direct loans, syndicated loans and other loans.
- Account receivables.

- **Hypotheses and methodology of work**

Each of the above investment instruments, has been examined to determine the probability of default and the loss ratios assuming default. A number of key economic indicators have been based on the construction of a number of assumptions, most importantly GDP growth indicators, the index of the financial market, indicators of public debt of the country, in addition to the sovereign classification of Jordan issued by credit rating institutions and according to the statistical data of the cumulative global default rates of the classification. A number of scenarios have been assumed for the purpose of calculating the probability default, using available data on companies either from the outside or within the investment fund, in addition to using the self assessment system for the classification of companies and banks approved within the Investment Fund.

(IN THOUSANDS OF JORDANIAN DINARS)

(3) CASH AND BANK BALANCES

This item consists of the following:

	2023	2022
Cash on hand	6,859	19,573
Current accounts and deposits on demand*	15,764	12,333
	22,623	31,906

* This item includes the amount of JD 2 thousand of current accounts related to the Unemployment Fund as at 31 December 2023 (31 December 2022: JD 144 thousand).

- Current accounts do not include balances with foreign banks and financial institution as at 31 December 2023 and 2022.

- There were no restricted balances as at 31 December 2023 and 2022.

(4) DEPOSITS AT BANKS AND FINANCIAL INSTITUTIONS

This item consists of the following:

	2023	2022
Deposits maturing within 3 months or less	693,898	1,097,038
Deposits maturing within 3 to 6 months	452,969	275,615
Deposits maturing within 6 to 12 months	708,293	396,691
Deposits related to resale agreements to associates *	80,000	-
	1,935,160	1,769,344
Less: provision for expected credit losses**	(13,546)	(11,194)
	1,921,614	1,758,150

Interest rates on Jordanian Dinar deposits range between 3.72% to 7% for the year ended at 31 December 2023 and from 2.75% to 6.40% for the year ended at 31 December 2022.

- There are no balances with foreign banks and financial institutions and there are no restricted balances as at 31 December 2023 and 2022.

(IN THOUSANDS OF JORDANIAN DINARS)

- Deposits include an amount of JD 166,9 million which represents deposits against the mortgage of government bonds for the benefit of the Fund held at Capital Bank (The legal successor for Societe Generale Bank Jordan) (2022: JD 173 million).

* This item represents deposits related to resale agreements of treasury bills with Jordan Kuwait Bank, with an amount of JD 40 million matured on 18 January 2024, and an amount of JD 40 million matured on 8 February 2024.

** The details of the movement on the provision for impairment of loans and debts granted are as follows:

	2023	2022
Balance as at 1 January	11,194	9,934
Provision for the year	2,384	1,260
recovered from unemployment	(32)	-
Balance as at 31 December	13,546	11,194

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	11,194	-	-	11,194	9,934
Provision for the year	2,384	-	-	2,384	1,260
recovered from unemployment	(32)	-	-	(32)	-
Balance as at 31 December	13,546	-	-	13,546	11,194

(5) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This item consists of the following:

Quoted shares in financial market:	2023	2022
Local	130,387	133,073
Foreign	11,408	13,053
	141,795	146,126

(IN THOUSANDS OF JORDANIAN DINARS)

(6) LOANS AND GRANTED DEBTS, NET

This item consists of the following:

	2023	2022
Direct loans	459,762	355,194
Syndicated loans	25,803	32,287
Housing loans and others	18,937	16,102
	504,502	403,583
Less: provision for expected credit losses*	(5,262)	(5,848)
Net loans and granted debts	499,240	397,735

The table below illustrates interest rates, maturity dates, and collaterals for the aforementioned loans:

	Balance	Interest rate	The last installment maturity date	Guarantees
		%		
Direct loans	459,762	1 – 8.916	1 January 2040	Governmental, real estate, legal
Syndicated loans	25,803	9.41 –11.06	17 February 2034	Governmental, investment mortgage, legal
Housing loans and others	18,937	4.75	31 March 2059	Real estate
	504,502			

Non-performing loans and debts amounted to JD 1,929 thousand representing 0.34% of loans and granted debts as at 31 December 2023 compared of JD 1,929 thousand representing 0.41% of loans and granted debts at 31 December 2022. A provision was provided for those amounts in full.

* Movements on provision for expected credit losses for loans and granted debts during the year were as follows:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	3,924	-	1,924	5,848	5,503
(recovered from) provision during the year	(706)	-	120	(586)	345
Balance as at 31 December	3,218	-	2,044	5,262	5,848

(IN THOUSANDS OF JORDANIAN DINARS)

(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This item consists of the following:

	2023	2022
Financial assets - Quoted shares*:		
Quoted shares – local	1,486,825	1,637,216
Quoted shares – foreign	71,615	58,763
	1,558,440	1,695,979
Financial assets - Unquoted shares:	42,475	46,645
Other financial assets:		
Investments in mutual funds – USD	153	812
Total financial assets at fair value through other comprehensive income	1,601,068	1,743,436

The fair value of unquoted shares and mutual funds is determined according to several methods that are appropriate to the nature of the Group, where net book value, discounted cash flows, and net assets were used.

* Quoted Financial Assets are distributed according to the following sectors:

	Ratio	2023	Ratio	2022
	%		%	
Manufacturing sector	50,6	787,969	50.5	856,758
Banking sector	47,2	736,183	48	813,512
Services sector	2,1	32,400	1.4	24,353
Insurance sector	0,1	1,888	0.1	1,356
		1,558,440		1,695,979

(IN THOUSANDS OF JORDANIAN DINARS)

(8) INVESTMENTS IN ASSOCIATES

This item consists of the following:

												2023		2022	
	Number of capital shares	*Number of shares/ ownership*	*Ownership percentage*	*Nature of business*	*Last issued audited financial statements*	*Balance using equity method at the beginning of the year*	*Loans repayments*	*Share of cash flow hedges reserve*	*Dividends received*	*Share of companies' results*	*Share of fair value reserve*	*Balance using equity method at year end*	*Fair market value at year end*	*Balance using equity method at year end*	*Fair market value at year end*
Listed in Amman Stock Exchange			%												
Jordan Kuwait Bank Public Shareholding	150,000,000	31,562,466	21.04	Banking	31 December 2023	97,741	-	-	(2,525)	12,437	2,760	110,413	81,116	97,741	52,078
Jordan Petroleum Refinery Co. Public Shareholding	100,000,000	20,140,624	20.14	Petrochemical	31 December 2023	75,788	-	-	(10,200)	16,637	(133)	82,092	109,180	75,788	109,180
Jordan Cement Factories Public Shareholding	60,444,460	13,197,226	21.83	Construction	31 December 2023	-	-	-	-	340	2	342	8,841	-	7,792
Jordan Telecommunication Co. Public Shareholding	187,500,000	54,150,000	28.88	Telecommunication	31 December 2023	228,516	-	-	(11,372)	13,212	-	230,356	137,541	228,516	127,253
Jordan Worsted Mill Factories Public Shareholding	15,000,000	3,000,000	20	Textiles	31 December 2023	10,006	-	-	(421)	384	289	10,258	6,480	10,006	6,429
Al-Sharq Investment Projects Public Shareholding	16,000,000	4,164,153	26.03	Hotel services	31 December 2023	5,411	-	-	(167)	287	15	5,546	7,662	5,411	7,662
Jordan Electricity Company Public Shareholding	91,761,444	19,696,251	21.46	Energy	31 December 2023	45,770	-	-	(1,895)	3,699	-	47,574	37,817	45,770	40,676
						463,232	-	-	(26,580)	46,996	2,933	486,581	388,637	463,232	351,070
Not listed in Amman Stock Exchange															
South Dead Sea Development Private Shareholding	17,000,000	5,100,000	30	Investment	31 December 2023	5,574	-	-	-	3	-	5,577	5,100	5,574	5,280
Electrical Equipment Industries LLC	3,750,000	881,250	23.5	Manufacturing	31 December 2023	951	-	-	-	148	-	1,099	-	951	-
Al Zanpaq Company Private Shareholding	167,000	50,100	30	Electricity generation	31 December 2023	1,817	(387)	(24)	-	154	-	1,560	-	1,817	-
Zahrat Al Salam Company Private Shareholding	167,000	50,100	30	Electricity generation	31 December 2023	1,408	(428)	(24)	-	157	-	1,113	-	1,408	-
Alward Aljoury Company Private Shareholding	167,000	50,100	30	Electricity generation	31 December 2023	1,510	(416)	(25)	-	163	-	1,232	-	1,510	-
Jordan Solar One Company Private Shareholding	100,000	30,000	30	Electricity generation	31 December 2023	1,810	(669)	(42)	-	166	-	1,265	-	1,810	-
Al-Zarqa Station for Electrical Power Generation Private Shareholding	*50,000*	20,000	40	Electricity generation	31 December 2023	41,800	(1,418)	(755)	-	4,000	-	43,627	-	41,800	-
National Company for Infrastructure Investment Private Shareholding	80,000	39,000	48,75	Investment	31 December 2023	32	-	-	-	(2)	-	30	27	32	29
						54,902	(3,318)	(870)	-	4,789	-	55,503	5,127	54,902	5,309
						518,134	(3,318)	(870)	(26,580)	51,785	2,933	542,084	393,764	518,134	356,379

(IN THOUSANDS OF JORDANIAN DINARS)

The following schedules illustrate summarized financial information for the Group's major investments in associates:

	Jordan Kuwait Bank	
	2023	2022
Statement of Financial Position		
Assets	5,244,402	3,546,939
Liabilities	(4,516,891)	(3,069,384)
Non-controlling interest	(112,768)	(1,722)
Net equity	614,743	475,833
Percentage of ownership	**21,04٪**	**21.04%**
Net investment as of 31 December	**110,413**	**97,741**
Statement of Comprehensive Income		
Net Interest revenues, commissions and foreign currency	220,327	115,085
Gain from selling subsidiary shares	4,779	-
Gain on financial assets at fair value through other comprehensive income	-	25
Gain on financial assets at fair value through profit or loss	3,219	5,005
Cash dividends at fair value through other comprehensive income	2,486	1,666
Provision for impairment of direct credit facilities	(37,745)	(29,474)
Provision (recovery from) for credit losses	(36,413)	5,615
Employees' expenditures	(48,714)	(33,320)
Other revenues and expenses, net	(17,902)	(45,868)
Profit for the year	90,037	18,734
Attributable to Bank's shareholders	59,108	18,682
Attributable to non-controlling interests	30,929	52
Group's share of profit	90,037	18,734

(IN THOUSANDS OF JORDANIAN DINARS)

	Jordan Petroleum Refinery	
	2023	2022
Statement of Financial Position		
Current assets	1,138,596	1,245,823
Non-current assets	299,394	264,366
Current liabilities	(990,506)	(1,093,834)
Non-current liabilities	(79,403)	(78,664)
Non-controlling interest	(7,945)	(8,529)
Net equity	360,136	329,162
Percentage of ownership	**20.14%**	**20.41%**
Net investment as of 31 December	**82,092**	**75,788**
Statement of Comprehensive Income		
Sales	1,659,001	1,706,207
Cost of sales	(1,499,614)	(1,481,576)
Bank interests and commissions	(39,878)	(24,047)
Selling and distribution expenses	(44,287)	(57,017)
Other revenues and expenses, net	7,382	(38,485)
Profit for the year	82,604	105,082
Attributable to the Company's shareholders	81,554	103,953
Attributable to non-controlling interests	1,050	1,129
Group's share of profit	82,604	105,082

(IN THOUSANDS OF JORDANIAN DINARS)

	Jordan Telecommunication Company	
	2023	2022
Statement of Financial Position		
Current assets	204,310	187,647
Non-current assets	582,647	555,064
Current liabilities	(357,762)	(262,481)
Non-current liabilities	(124,433)	(181,841)
Net equity	304,762	298,389
Percentage of ownership	**28.88%**	**28.88%**
Net investment as of 31 December	**230,356**	**228,516**
Statement of Comprehensive Income		
Revenues	360,716	347,568
Cost of services	(132,187)	(125,319)
Administrative expenses	(23,187)	(26,056)
Selling and marketing expenses	(43,457)	(44,120)
Finance income	2,947	1,933
Other expenses, net	(119,084)	(109,975)
Profit for the year	45,748	44,031
Group's share of profit	13,212	12,716

(IN THOUSANDS OF JORDANIAN DINARS)

	Jordan Worsted Mill Factory	
	2023	2022
Statement of Financial Position		
Current assets	57,777	58,616
Non-current assets	200	205
Current liabilities	(263)	(490)
Non-current liabilities	(76)	(64)
Net equity	57,638	58,267
Percentage of ownership	**20%**	**20%**
Net investment as of 31 December	**10,258**	**10,006**
Statement of Comprehensive Income		
Sales	-	1,262
Cost of sales	-	(914)
Administrative expenses	(860)	(955)
Other revenue and expense, net	2,776	2,746
Profit for the year	1,916	2,139
Group’s share of profit	383	428

(IN THOUSANDS OF JORDANIAN DINARS)

	Al-Sharq Investments Projects	
	2023	2022
Statement of Financial Position		
Current assets	2,921	3,370
Non-current assets	19,444	18,545
Current liabilities	(1,383)	(1,275)
Non-current liabilities	(44)	(221)
Net equity	20,938	20,419
Percentage of ownership	**%26.03**	**%26.03**
Net investment as of 31 December	**5,546**	**5,411**
Statement of Comprehensive Income		
Operating revenues	7,629	6,636
Operating costs	(2,515)	(2,264)
Administrative expenses, maintenance, marketing and deprecation	(4,156)	(3,710)
Other revenues	143	177
Profit for the year	1,101	839
Group's share of profit	287	218

(IN THOUSANDS OF JORDANIAN DINARS)

	Jordan Electricity Company	
	2023	2022
Statement of Financial Position		
Current assets	486,636	542,607
Non-current assets	530,998	486,276
Current liabilities	(708,504)	(564,909)
Non-current liabilities	(160,788)	(323,851)
Net equity	148,342	140,123
Percentage of ownership	**21.48%**	**21.48%**
Net investment as of 31 December	**47,574**	**45,770**
Statement of Comprehensive Income		
Operating revenues	1,001,491	961,970
Operating costs	(838,383)	(798,505)
Administrative expenses, maintenance, marketing and deprecation	(140,899)	(139,932)
Profit for the year before tax	22,209	23,533
Income tax expense	(5,167)	(8,016)
Profit for the year	17,042	15,517
Group’s share of profit	3,661	3,333

(IN THOUSANDS OF JORDANIAN DINARS)

(9) FINANCIAL ASSETS AT AMORTIZED COST

This item consists of the following:

	Average interest rates	2023	2022
	%		
A- Government and public institution bonds			
Treasury bonds*	3.48 – 7.99	8,556,097	7,729,116
Public institutions bonds	6.41 – 6.98	21,645	21,640
		8,577,742	7,750,756
B- Bonds, debts and other securities			
Private companies' bonds and debts	4.0 - 7.0	163,880	125,567
Less: provision for expected credit losses**		(5,636)	(6,632)
		158,244	118,935
		8,735,986	7,869,691

Financial assets at amortized cost have maturity dates ranging between 1 month and 24 years.

* Treasury bonds include an amount of JD 90,426 thousand as of 31 December 2023, representing treasury bonds related to the unemployment fund (31 December 2022: JD 80,015 thousand).

** Movements on provision for expected credit losses for financial assets at amortized cost during the year were as follows:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	5,587	-	1,045	6,632	13,252
Provision for the year	-	-	-	-	459
Recovered during the year	(996)	-	-	(996)	(7,079)
Balance as at 31 December	4,591	-	1,045	5,636	6,632

(IN THOUSANDS OF JORDANIAN DINARS)

(10) SUBSCRIBERS' CONTRIBUTIONS AND RURAL FILS ASSETS AND LIABILITIES

This item represents the infrastructure constructed by the subsidiaries to connect customers and rural areas to electricity. The cost of infrastructures is paid by Subscribers and Jordanian Rural Fills Fund Project and recognized as assets and liabilities in the consolidated statement of financial position of the Group.

	2023	2022
Cost-		
Balance as at 1 January	413,193	397,650
Transfer from projects in progress	19,776	15,543
Balance as at 31 December	432,969	413,193
Accumulated amortization-		
Balance as at 1 January	211,152	195,722
Depreciation for the year*	15,929	15,430
Balance as at 31 December	227,081	211,152
Net book value as at 31 December	205,888	202,041

* Subscribers contribution and rural fils assets are depreciated at a rate of 4% annually and subscribers' contribution and rural fils liabilities are depreciated at the same rate, and thus there is no effect on the financial performance of the Group. Details of subscribers' contribution and rural fils liabilities as at 31 December are as follows:

	2023	2022
Subscribers' contribution liability	148,188	147,794
Rural fils liabilities	57,700	54,247
	205,888	202,041

(IN THOUSANDS OF JORDANIAN DINARS)

(11) PROJECTS IN PROGRESS

This item consists of the following:

	2023	2022
Aqaba Touristic Beach project*	32,173	32,173
Al-Mafraq project's land infrastructure cost**	27,794	27,813
Electricity connection projects ***	31,398	22,605
Development of Duty-Free Shops on border crossings****	1,247	15,115
Crowne Plaza Resort renovation – Petra*****	18,574	12,403
Building and development of Irbid projects' Infrastructure ******	9,569	8,091
HoldayIn Hotel renovation-Dead sea	294	-
Intercontinental Hotel renovation – Aqaba	211	-
Amra Crowne Plaza renovation – Amman	124	-
Crowne Plaza Hotel – Dead Sea	66	-
Other projects in progress	772	2,636
	122,222	120,836

* An amount of JD 32,173 thousand which represents value of the touristic beach project land and what is on it. In 2022, National Company for Touristic Development has conducted an economic feasibility study to determine the mechanism of benefiting from this land or completing the project that was to be built on it. The Fund is expected to make a decision on the mechanism of benefiting from this land during 2024.

** The Group updated the study of the estimated expected cost to complete the Mafraq Development Project by an engineering company on 5 February 2018. The total estimated cost to complete the project amounted to approximately JD 143 million, and the estimated cost per developed square meter reached JD 12,78 after distributing the estimated cost over the net land area of 11.3 thousand square kilometers. The construction and development are expected to be completed by 2030. Management believes that this estimate is reasonable and reflects the prices and infrastructure development costs up to the year 2023.

*** This item represents the infrastructure projects for supplying electricity to the subsidiaries of Kingdom Electricity for Energy Investments Company, which are under implementation as of 31 December 2023. The estimated cost to complete the unexecuted portion of the projects under implementation amounts to JD 25,125 thousand as of 31 December 2023 (31 December 2022: JD 13,175 thousand).

**** This item represents projects for developing markets at border crossings and the fountain project in Aqaba for the Jordanian Duty Free Shops Company. On 1 January 2023, the Group capitalized and began depreciating the Fountain Mall project located in the city of Aqaba, amounting to JD 14,722 thousand, transferring it from projects under implementation to property and equipment.

***** The amount of JD 18,574 thousand represents the Crowne Plaza Petra Hotel development project. The expected cost of the project is JD 25,372 thousand, and it is expected to be completed during 2024.

****** The Group contracted with a consulting firm to study market demand and conduct a market study after the government returned the lands to the company. The tender for preparing the new master plan for the Northern Development Company project was awarded to a specialized engineering office and was completed in 2019 and approved by the authority. The estimated cost of the infrastructure is approximately JD 68 million as of 31 December 2023, and it is expected to be completed in 2046, based on the study provided by the consulting firm.

(IN THOUSANDS OF JORDANIAN DINARS)

(12) INVENTORIES

This item consists of the following:

	2023	2022
Electricity tools, material and spare parts	15,795	22,033
Finished goods	12,141	9,576
Raw materials	589	702
Food and beverage	257	283
Goods in transit	-	10
Supplies and operational tools	-	4
Others	9,780	9,064
	38,562	41,672
Less: provision for slow moving inventory*	(5,307)	(5,323)
	33,255	36,349

* Movements on provision for slow moving inventory during the year were as follows:

	2023	2022
Balance as at 1 January	5,323	4,950
Provision for the year	633	856
provision (Recovery) for compensation of goods from suppliers	3	(243)
Inventory written off during the year	(652)	(240)
Balance as at 31 December	5,307	5,323

(IN THOUSANDS OF JORDANIAN DINARS)

(13) PROPERTY AND EQUIPMENT

This item consists of the following:

2023-	Land	Buildings	Meters, cables, and pumps	Furniture and fixtures	Machinery and equipment	Vehicles	Additions and improvements	Computers	Electro-mechanical equipment	Sanitary extensions	Others	Total
Cost:												
Balance as at 1 January	27,883	182,815	743	47,791	441,721	19,062	4,746	44,273	55,511	11,359	8,663	844,567
Additions	227	943	75	855	31,498	1,605	403	2,829	528	62	126	39,151
Disposal	-	(12)	-	(470)	(5,424)	(397)	(46)	(350)	(126)	(28)	(27)	(6,880)
Transfers from projects in progress	-	14,238	-	388	14,142	-	-	2	-	-	-	28,770
Transfer to real estate investment (Note 14)	(128)	(3,275)	-	(2,367)	(862)	-	-	(208)	(176)	(1,827)	(548)	(9,391)
Transfer from advance payments for purchase property and equipment	-	-	-	-	-	-	-	27	-	-	-	27
Balance as at 31 December	27,982	194,709	818	46,197	481,075	20,270	5,103	46,573	55,737	9,566	8,214	896,244
Accumulated depreciation:												
Balance as at 1 January	-	68,944	71	40,096	241,943	16,349	4,012	31,811	46,145	11,344	7,193	467,908
Depreciation for the year	-	4,640	105	535	19,821	1,031	52	3,961	1,780	38	171	32,134
Disposal	-	(1)	-	(452)	(3,653)	(360)	(46)	(336)	(108)	(28)	(27)	(5,011)
Transfer to real estate investment (Note 14)	-	(1,590)	-	(2,319)	(832)	-	-	(190)	(175)	(1,798)	(547)	(7,451)
Balance as at 31 December	-	71,993	176	37,860	257,279	17,020	4,018	35,246	47,642	9,556	6,790	487,580
Net book value as of 31 December 2023	27,982	122,716	642	8,337	223,796	3,250	1,085	11,327	8,095	10	1,424	408,664
2022-												
Cost:												
Balance as at 1 January	28,143	181,464	505	47,835	418,590	18,194	4,092	43,794	55,643	11,559	8,344	818,163
Additions	8	338	238	578	17,103	1,168	686	767	81	31	426	21,424
Disposal	(286)	(2)	-	(634)	(3,809)	(329)	(32)	(288)	(213)	(231)	(107)	(5,931)
Transfers from projects in progress	18	1,015	-	12	9,837	29	-	-	-	-	-	10,911
Balance as at 31 December	27,883	182,815	743	47,791	441,721	19,062	4,746	44,273	55,511	11,359	8,663	844,567
Accumulated depreciation:												
Balance as at 1 January	-	64,485	2	40,187	226,073	15,378	4,027	28,214	44,523	11,544	7,138	441,571
Depreciation for the year	-	4,460	69	534	18,003	1,211	17	3,869	1,833	31	162	30,189
Disposal	-	(1)	-	(625)	(2,133)	(240)	(32)	(272)	(211)	(231)	(107)	(3,852)
Balance as at 31 December	-	68,944	71	40,096	241,943	16,349	4,012	31,811	46,145	11,344	7,193	467,908
Net book value as of 31 December 2022	27,883	113,871	672	7,695	199,778	2,713	734	12,462	9,366	15	1,470	376,659

(IN THOUSANDS OF JORDANIAN DINARS)

(14) INVESTMENT PROPERTIES

This item consists of the following:

	2023	2022
Land held for investment	839,341	805,605
Buildings held for investment	58,899	56,369
Others	209	218
	898,449	862,192

Movements on investment properties during the year were as follows:

	2023	2022
Balance as at 1 January	862,192	797,814
Purchase of investment properties	11,892	13,200
Transfers to properties and equipment, net (Note 13)	1,940	-
Buildings built on leased land*	-	14,869
Profits on valuation of investment properties at fair value (note 32)	22,425	36,309
Balance as at 31 December	898,449	862,192

* The Fund concluded agreements during the previous years with tenants of lands belonging to the Fund, provided that the tenant builds buildings on these lands. These agreements stipulate that the ownership of the buildings built on these lands belongs to the Fund as part of the lease agreement for these lands.

(15) INVESTMENTS IN JOINT OPERATIONS

This item consists of Al-Zaytuna project (1) which represent lands that the Fund invested in, jointly with Urban Development Corporation as well as other partners. These lands have been sorted and are to be distributed to the investors based on their percentage of ownership. Investments in joint operations are stated at cost as at 31 December 2023 and 2022, the details of these projects were as follows:

	2023	2022
Al-Zaytuna project (1)*	15	15
	15	15

* It is expected that during 2024, the projects' lands will be transferred to investment properties.

(IN THOUSANDS OF JORDANIAN DINARS)

(16) INTANGIBLE ASSETS

2023-	Exclusive right*	Licenses**	Right of passing ***	Right to use and operate ****	Goodwill*****	Computer software	Total
Cost:							
Balance as at 1 January	17,697	39,411	8,339	4,184	28,014	394	98,039
Additions	-	-	20	-	-	23	43
Balance as at 31 December	17,697	39,411	8,359	4,184	28,014	417	98,082
Accumulated amortization:							
Balance as at 1 January	1,180	19,711	4,687	2,704	-	128	28,410
Amortization for the year	1,770	1,970	376	114	-	86	4,316
Balance as at 31 December	2,950	21,681	5,063	2,818	-	214	32,726
Net book value as of 31 December	14,747	17,730	3,296	1,366	28,014	203	65,356

2022-	Exclusive right*	Licenses**	Right of passing ***	Right to use and operate ****	Goodwill*****	Computer software	Total
Cost:							
Balance as at 1 January	-	39,411	8,323	4,173	28,014	394	80,315
Additions	17,697	-	16	11	-	-	17,724
Balance as at 31 December	17,697	39,411	8,339	4,184	28,014	394	98,039
Accumulated amortization:							
Balance as at 1 January	-	17,741	4,308	2,584	-	52	24,685
Amortization for the year	1,180	1,970	379	120	-	76	3,725
Balance as at 31 December	1,180	19,711	4,687	2,704	-	128	28,410
Net book value as of 31 December	16,517	19,700	3,652	1,480	28,014	266	69,629

* During the year 2021, the exclusive right agreement with the Hashemite Kingdom of Jordan, represented by the Ministry of Finance, to establish duty-free shops at land crossings and seaports, signed on 30 August 2011 until 30 August 2021, expired. During 2022, the Group obtained the renewal of the exclusive right for a period of 10 years starting from 1 May 2022, provided that the Group is committed to paying an amount of KD 25 million, which will be paid over the life of the agreement. Accordingly, the agreed amount of the exclusivity agreement has been deducted to the present value and recorded as an intangible asset, as it is amortized over the life of the agreement. The Group shall be obliged to pay to the Public Treasury each of the following amounts:

- A monthly service allowance of 13,5% and a monthly customs service allowance of 1,5% of its total monthly sales realized in duty free shops that are not subject to the same duties, taxes and customs applied in the customs territory as operational costs.

- An annual allowance of 20% of the company's annual net operating profit for duty free on an annual basis and starting from the fiscal year 2022 and including the full profits of 2022. The value of this allowance shall be paid within three months from the date of the end of the fiscal year.

- In addition, the Jordan Duty Free Company (a subsidiary) has been exempted from income tax from income tax from its duty free activities for a period of six years starting from the date of entry into force of the agreement, and 2022 is considered the first year of exemption.

** This item represents the fair value of electricity distribution licenses granted by the Energy and Minerals Regulatory Authority to subsidiaries as at the date of grant, as they are amortized over the 19-year life of the licenses.

*** This item represents the amount of compensation paid by the Kingdom Electricity Company for Energy Investments and its subsidiaries to land owners for damages due to the passage of power lines over their property based on a court decision or a decrease in the market value of such property. Kingdom Electricity Company for Energy Investments and its subsidiaries have since the beginning of 2014 extinguished the right of way for the remaining life of the license.

**** This item represents the amount of the amounts paid by Unified Launch Company for the construction and development of the infrastructure of the Unified Launch Complex as intangible assets in accordance with the requirements of the interpretation of financial reports No. (12) Service Concession Arrangements issued by the International Financial Reporting Interpretation Committee as the amounts paid represent a right (license) to use and operate a public facility for a period of 27 years.

***** The details of this item are as follows:

1- Goodwill resulting from the acquisition of Electricity Distribution Public shareholding Company by Kingdom Electricity Company for Energy Investment with a total amount of JD 5,271 thousand. This Company was identified as a cash generating unit for the purpose of Goodwill impairment testing. Where Kingdom Electricity Company for Energy Investment performed a goodwill impairment test as at 31 December 2023 as follows:

   The recoverable amount of the Public shareholding Electricity Distribution Company was determined by calculating the company's expected cash flows based on the estimated budget for 2024 approved by the management. Projected cash flows after 2023 were calculated using an annual revenue growth rate of 0.3%. In the belief of the administration, the growth rate is appropriate given the nature of work and the general growth in economic activity in the region. An 11% discount rate has been used to discount projected cash flows and a final growth rate of 1%. The impairment test did not result in any impairment loss in goodwill related to the ownership of the Public Shareholding Electricity Distribution Company.

   Management believes that there are no predicted changes on the basic assumptions used to determine the value in use that can reduce the recoverable amount against the net book value.

2- Goodwill resulting from the acquisition of Kingdom Electricity Company for Energy Investments (previously, Al Daman for Energy Investments) by the Social Security Investment Fund with a total amount of JD 22,743 thousand in 2011, which represents the amount of revaluation difference.

   The recoverable amount for Kingdom Electricity Company for Energy Investments was determined based on its recoverable which was calculated based on the projected cash flows. This Company was identified as a cash generating unit for the purpose of Goodwill impairment testing. The projected cash flows were performed using a 13% discount rate and a growth rate of 3%. Based on the impairment testing results, no impairment losses were recognized as a result of the acquisition.

(IN THOUSANDS OF JORDANIAN DINARS)

(17) OTHER ASSETS

This item consists of the following:

	2023	2022
Trade receivables	253,836	306,546
Accrued revenues and interests*	185,340	147,564
Prepaid expenses	24,644	27,523
Right of use assets	7,089	7,957
Checks under collection	2,331	3,816
Housing Fund deposits	2,233	2,354
Other debt balances	1,177	2,243
Deferred tax assets	4,337	3,699
	480,987	501,702
Less: provision for expected credit losses**	(61,858)	(59,416)
	419,129	442,286

* This item includes an amount of JD 920 thousand as of 31 December 2023, which represents accrued interests related to Unemployment Fund (31 December 2022: JD 700 thousand).

** Movements on provision for expected credit losses for other assets during the year were as follows:

	2023	2022
Balance as at 1 January	59,416	38,009
Provision for the year	2,641	22,179
recovered from provision	(199)	-
Receivables written-off	-	(772)
Balance as at 31 December	61,858	59,416

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	-	262	59,154	59,416	38,009
Provision for the year	-	-	2,641	2,641	22,179
Recovered from provision	-	-	(199)	(199)	-
Receivables written-off	-	-	-	-	(772)
Balance as at 31 December	-	262	61,596	61,858	59,416

(IN THOUSANDS OF JORDANIAN DINARS)

(18) ELECTRICITY SERVICE SUBSCRIBERS' DEPOSITS

This item represents amounts received by the subsidiaries of Kingdom Electricity Company for Energy Investments (subsidiary) from the subscribers as cash deposits for electricity connection services, based on the instructions of delivery costs of the Electricity Regulatory Commission.

(19) ADVANCE PAYMENTS FROM ELECTRICITY SUBSCRIBERS

This item represents amounts received in advance by the subsidiaries of Kingdom Electricity Company for Energy Investments (subsidiary) from the subscribers for the implementation of subscribers' contributions projects. The Group closes this item after completing the project in the items of subscribers' contributions liabilities and subscribers' contributions assets excess.

(20) DUE TO NATIONAL ELECTRIC POWER COMPANY

This item represents the amounts due from the subsidiaries of Kingdom Electricity Company for Energy Investments (subsidiary), in addition to interest on late payments related to purchased energy from National Electric Power Company (NEPCO). Interest penalties amounted to JD 6,602 thousand as at 31 December 2023 (31 December 2022: JD 35,094 thousand).

(21) BANK LOANS

This item consists of the following:

	31 December 2023		
	Loan Installments		
	Short term	Long term	Total
Arab Bank	540	2,580	3,120
Jordan Kuwait Bank	667	667	1,334
Housing Bank for Trade and Finance	6,000	6,000	12,000
Jordan Islamic Bank	33,402	14,400	47,802
Jordan Commercial Bank	68	3	71
	40,677	23,650	64,327

(IN THOUSANDS OF JORDANIAN DINARS)

	31 December 2022		
	Loan Installments		
	Short term	Long term	Total
Arab Bank	2,852	-	2,852
Jordan Kuwait Bank	2,222	18,445	20,667
Housing Bank for Trade and Finance	6,000	10,000	16,000
Safwa Islamic Bank	6,000	-	6,000
Jordan Islamic Bank	25,000	-	25,000
Jordan Commercial Bank	110	-	110
	42,184	28,445	70,629

Arab Bank

This amount represents the loan amount granted to Jordan Press Foundation / Al Rai on 13 March 2014 from Arab Bank, with a celling of JD 3.5 million, bearing an interest rate of 8.625% and repayable over 44 monthly installments of JD 80 thousand, except for the last installment amounting to JD 60 thousand. The first installment was due on 1 April 2015. The purpose of the loan is to repay the due payments for the previous loan from Arab Bank and to finance the remaining Al Rai printing project and support the working capital and finance other administrative expenses.

The Company signed a contract with Arab Bank on 18 June 2019 to reschedule the loan payments, amending the monthly installment to became JD 25 thousand and at an interest rate of 8.875% payable over 57 installments with the first installment due 31 December 2019 until full payments. During the last quarter of 2019, the Company signed an appendix to increase the loan amount by JD 525 thousand from its overdraft bank account repayable over 45 monthly installments of JD 45 thousand at an interest rate of 9%. The first installment is due on 30 August 2020, with the last installment amounting to the remaining loan's balance.

The Company signed a contract with Arab Bank to reschedule the loan on 29 April 2021, and on 8 July 2021 to increase the diminishing loan balance by JD 190 thousand and JD 400 thousand. Accordingly, the monthly instalment was amended to become JD 45 thousand and with an annual interest rate of 8% where the first instalment was due on 30 August 2020.

The company signed a contract with the Arab Bank to reschedule the loan on 1 October 2022, with a monthly instalment of 45 thousand, until full payment, except for the last instalment with the rest of the balance, The first instalment is due on 1 July 2023.

Jordan Kuwait Bank

Kingdom Electricity Company signed an agreement with Jordan Kuwait Bank Amman on 1 December 2023, to obtain a financing of 2,000,000 Jordanian Dinars, at an interest rate of 8.75%, provided that the loan is repaid in 3 equal installments plus interest, the first installment is due after one year from the date of grant.

This item represents the loan amount granted to Irbid District Electricity Company (a subsidiary of Kingdom Electricity Company) in May 2015 by Jordan Kuwait Bank amounting to JD 28,000,000 with a grace period of 3 years after the first withdrawal, to finance the company's capital and operating projects. The loan amount was fully utilized during 2015. The loan is repayable over 18 semi-annual installments with an amount of JD 1,555,555 million including interest due. Interest is payable based on applicable interest rate on deposits with the Central Bank of Jordan plus a margin of a maximum rate of 2.65%, the minimum applicable interest rate is 5.3% annually.

During 2021, Irbid District Electricity Company (subsidiary to Kingdom Electricity Company) signed an agreement with Jordan Kuwait Bank to restructure the loan, whereby the Company was granted a grace period of three years for instalments only, without interest, as of 17 January 2021. The loan is repayable in 12 semi-annual instalments of JD 1,555,555 except the last instalment is JD 1,555,565, in which the first instalment is due on 3 December 2022. During November 2023, the Irbid District Electricity Company (a subsidiary) paid the full amount of the loan.

Housing Bank for Trade and Finance

This item represents loan amount granted to Electricity Distribution Company (a subsidiary of Kingdom Electricity Company for Energy Investments) on 24 November 2015 from the Housing Bank for Trade and Finance with a ceiling of JD 40,000,000 with a grace period of one year, bearing an interest rates ranging between 5% to 5.4% or the rate granted to the bank's top customers less 3% whichever is lower for the first five years of the loan life, and starting from the sixth year of the loan till the maturity date an interest rate as the granted rate to the bank's top customers less 3% with a minimum rate of 5.25% annually. The loan is repayable over 20 equal semi-annual installments, the first installment was due on 31 December 2016, the interest is paid every six months.

The interest rate has been adjusted to 5.75% with a fixed interest rate for a period of one year from 1 September 2022, noting that the above-mentioned interest rate will be reinstated in 1 March 2024.

Jordan Commercial Bank

This item represents the amount of loan granted to the Jordan Press Foundation / Al Rai on 6 March 2018 from Jordan Commercial Bank with an amount of JD 500 thousand and an annual interest rate of 9.5%. The loan is repaid by an advertising agent for the advertisements that the company advertises on his behalf.

On 29 May 2019, the Company rescheduled the loan to become JD 192 thousand with an interest rate of 10.25%. The loan is repaid to 9 monthly installments of JD 22 thousand expect for last installment which represents the remaining amount of loan. The first installment was due on 30 June 2019. The loan was used to pay for incoming collection policy documents.

The Company signed a contract with the Jordan Commercial Bank to reschedule the loan on 10 March 2021. Accordingly, the loan is repaid to 24 monthly installments including interest, the value of each of which is 4 thousand, until full payment except for the last installment with the rest of the balance so that the first installment is due on 28 May 2021.

(IN THOUSANDS OF JORDANIAN DINARS)

Jordan Islamic Bank

During 2023, the Irbid District Electricity Company (a subsidiary of the Kingdom Electricity Company) signed a loan agreement with Jordan Islamic Bank in the amount of JD 18 million, with a profit of JD 3,150 thousand, and with a profit rate of 3.5%, the loan will be repaid under 10 semi-annual installments of JD 1,800 thousand per installment, so that the first installment is due in May 2024 and the last installment is due in November 2028, so the total amount of the offer with Murabaha is equal to JD 21.5 million.

The Electricity Distribution Company (EDDC) signed an agreement for the supply of electric power (financing the price of electric power) with Jordan Islamic Bank to pay part of the bill for the purchase of electricity from the National Electric Power Company with a credit limit including profit of JD 31 million against an agreed annual profit rate of 6.2% (2022: 4.3%). The full loan amount will be repaid during 2024.

Safwa Islamic Bank

This item represents the value of the loan granted to the Electricity Distribution Company (a subsidiary of the Kingdom Electricity Company for Energy Investments) by signing an agreement for the supply of electric power (financing the price of electric power) with Safwa Islamic Bank on 26 July 2022 to pay part of the electricity purchase bill from the National Electric Power Company with a credit limit including profit of JD 6 million against an agreed annual profit rate of 4.5%. The full loan amount will be repaid during 2023.

(22) END OF SERVICE INDEMNITY PROVISION

Movements on end of service indemnity provision during the year were as follows:

	2023	2022
Balance as at 1 January	22,333	18,720
Provision for the year*	5,241	5,213
Paid during the year	(3,496)	(1,600)
Balance as at 31 December	24,078	22,333

* Kingdom Electricity Company for Energy Investments capitalized an amount of JD 1,254 thousand to projects in progress as of 31 December 2023 (31 December 2022: JD 1,040 thousand).

The employees end of service indemnity provision during the year was distributed as follows:

	2023	2022
Expenses in the consolidated statement of revenues and expenses (note 34)	3,987	4,173
Capitalized to projects in progress	1,085	980
Transferred to salary and wages	111	-
Transfer to expenses of columns factory	58	60
	5,241	5,213

(IN THOUSANDS OF JORDANIAN DINARS)

The actuarial assumptions used in determining the value of employees' end of service indemnity provision are as follows:

	2023	2022
Deduction rate	5.7%	5.2%
Mortality rate	0.19%	0.19%
Annual increments to salaries rate	5.5%	5.1%
Resignation rate	2.0%	2.0%
The percentage of the Company's contribution to social security net of employees' end of service indemnity	8.0%	8.0%

The following table represents possible changes in the current value of the end of service indemnity as at 31 December driven by the change of 1% in deduction, salary increase and resignation rates:

	Impact on the current value of employees' end of service indemnity provision	
Increase by a rate of 1% in	2023	2022
Deduction	(3,056)	(2,917)
Salaries	4,511	5,369
Resignations	1,222	1,623

	Impact on the current value of employees' end of service indemnity provision	
Decrease by a rate of 1% in	2023	2022
Deduction	3,666	3,766
Salaries	(3,345)	(3,907)
Resignations	(1,222)	(1,623)

(23) DUE TO BANKS

Kingdom Electricity Company for Energy Investments Private Shareholding –

This item represents the balance of credit facilities granted to the Group by several local banks with a ceiling of JD 138,500,000 and an average interest rate of 7.6% (2022: ceiling of JD 119,500,000, average interest rate and 6% commission).

Jordan Press Foundation / AL-Rai and National Company-

This item represents the utilized balance of credit facilities granted to the company by several local banks with a total ceiling of 250 thousand as of 31 December 2023 (500 thousand for 2022) and an interest rate ranging annually from 2.2% to 6.5% (from 4,375% to 8.5% for 2022). A facility was granted to the company with the company's legal guarantee.

Cash deposits against these facilities amounted to JD 200 thousand as of 31 December 2023 (JD 450 thousand for the year 2022).

(IN THOUSANDS OF JORDANIAN DINARS)

(24) OTHER LIABILITIES

This item consists of the following:

	2023	2022
Trade payables	49,874	51,214
Revenues and grants received in advance	41,862	42,430
Lease contract obligations	8,318	8,916
Waste fees	12,146	11,329
Governmental provisions and fees	23,831	21,427
Contingent liabilities provision*	4,457	4,576
Rural fils payable	5,667	6,068
Due to the Ministry of Finance – television fees	5,660	5,667
Projects deposits	2,957	2,957
Accrued expenses	9,592	6,927
Contractors' payables and retentions	2,031	816
Other credit balances	38,631	39,860
	205,026	202,187

*Movements on provision for contingent liabilities during the year were as follows:

	2023	2022
Balance as at 1 January	4,576	4,570
Provision for the year	1,092	473
Paid during the year	(1,211)	(467)
Balance as at 31 December	4,457	4,576

(25) PROPERTY AND EQUIPMENT REVALUATION RESERVE

The land owned by the National Company for Touristic Development (subsidiary) is stated at cost as part of Property and Equipment. However, it was classified in accordance with the Group's accounting policies as part of Investment Properties at fair value and the necessary reconciliations were prepared in the consolidated financial statements. The difference between the book value and the fair value at the reclassification date on first of January 2006 was recorded in Owner's Equity as Property and Equipment Revaluation Reserve.

(26) FAIR VALUE RESERVE

Movements on fair value reserve during the year were as follows:

	2023	2022
Balance as at 1 January	577,896	280,782
Change in fair value of financial assets through other comprehensive income	(138,808)	296,019
Gains realized from sale of financial assets through other comprehensive income	14,399	1,095
Balance as at 31 December	453,487	577,896

(IN THOUSANDS OF JORDANIAN DINARS)

(27) SOCIAL SECURITY CORPORATION ACCOUNT - UNEMPLOYMENT FUND

Based on the Corporation's Board of Directors' decision No. 14/2013 dated 4 February 2013, the investments related to the Unemployment Fund were separated into a safe portfolio in an independent manner of other insurance funds. Accordingly, amounts related to the Unemployment Fund were transferred from the accounts of the Corporation to a separate account within the Fund's accounts during the year 2013, those amounts shall be invested in Jordanian treasury bonds based on the decision of the Board of Investment on 26 June 2013. The Corporation's Board of Directors decided in its meeting held on 25 April 2019 to allow insured individuals to withdraw their accumulated or a portion of their savings balance, for the purposes of enrolling their children in higher education institutions or vocational institutions, or for the purpose of covering medical expenses for the individual or a family member, in accordance with the Board's issued terms and conditions.

Movements on the account during the year were as follows:

	2023	2022
Balance as at 1 January	84,910	183,464
Net cash transferred during the year to (from) the Corporation to Unemployment Fund	3,836	(36,200)
Unemployment fund's share of Investment Fund's returns for the year	4,827	6,211
Reclassification of the Social Security Corporation current account and Unemployment Fund	-	(68,565)
Balance as at 31 December	93,573	84,910

(28) MATERIAL PARTIALLY OWNED SUBSIDIARIES

Financial information of partially owned subsidiaries with a material non-controlling interest, were as follows:

			Percentage of non-controlling interest	
Company name	Country	Nature of activity	2023	2022
Kingdom Electricity for Energy Investments	Jordan	Energy	30%	30%
Jordan Press Foundation / Al-Rai	Jordan	Press and publishing	45.07%	45.07%
Jordanian Duty Free Shops	Jordan	Trading	42.91%	42.91%
Al Daman for Investment	Jordan	Investment and renting	38.6%	38.6%

Condensed financial information of these subsidiaries is shown below. This information is based on amounts before the elimination of intercompany transactions.

	2023	2022
Accumulated balance for non-controlling interest		
Kingdom Electricity for Energy Investments	25,370	24,621
Jordanian Duty Free Shops	19,094	21,638
Al Daman for Investment	4,194	4,076
Al Daman for Development	3,206	3,092
	51,864	53,427

(IN THOUSANDS OF JORDANIAN DINARS)

	2023	2022
Material gains (losses) attributable to non-controlling interests		
Kingdom Electricity for Energy Investments	3,306	11,149
Jordan Press Foundation / Al-Rai	(1,128)	(726)
Jordanian Duty Free Shops	3,249	3,622
Al Daman for Investment	199	136

	Kingdom Electricity for Energy Investments	
Condensed statement of financial position	2023	2022
Current assets	257,239	312,779
Non-current assets	575,534	545,819
Current liabilities	(358,367)	(388,034)
Non-current liabilities	(385,455)	(383,797)
Net equity	88,951	86,767
Share of non-controlling interests in equity	**25,370**	**24,621**
Condensed statement of comprehensive income		
Operating revenues	583,998	583,919
Operating expenses	(479,671)	(461,839)
Administrative expenses	(33,615)	(30,803)
Late interest charges	(5,598)	(9,434)
Finance cost	(9,090)	(7,782)
Other expenses, net	(38,891)	(39,174)
Profit for the year before income tax	17,133	34,887
Income tax	(5,241)	(9,479)
Profit for the year	11,892	25,408
Other comprehensive income items	(871)	11,756
Total comprehensive income for the year	11,021	37,164
Attributable to the Company's shareholders	7,552	28,579
Attributable to non-controlling interests	3,469	8,585
Non-controlling interests' share of operating results	**3,306**	**11,149**
Condensed statement of cash flows:		
Operating activities	50,378	121,506
Investing activities	(84,621)	(41,060)
Financing activities	(27,631)	(1,024)
Net (decrease) increase in cash and cash equivalents	(61,874)	79,422

(IN THOUSANDS OF JORDANIAN DINARS)

	Jordan Press Foundation / AL-Rai	
Condensed statement of financial position	2023	2022
Current assets	3,026	2,812
Non-current assets	20,252	22,385
Current liabilities	(19,665)	(22,761)
Non-current liabilities	(6,076)	(3,514)
Net equity	(2,463)	(1,078)
Share of non-controlling interests in equity	-	-
Condensed statement of comprehensive income		
Revenue	5,764	5,468
Cost of revenues	(5,862)	(6,013)
Administrative expenses	(2,455)	(1,697)
Other revenue, net	50	632
Loss for the year	(2,503)	(1,610)
Other comprehensive income items	-	-
Total comprehensive income for the year	(2,503)	(1,610)
Non-controlling interests' share of operating results	**(1,128)**	**(726)**
Condensed statement of cash flows		
Operating activities	(987)	(315)
Investing activities	(14)	(9)
Financing activities	(88)	(289)
Net decrease in cash and cash equivalents	(1,089)	(613)

(IN THOUSANDS OF JORDANIAN DINARS)

	Jordanian Duty Free Shops	
	2023	2022
Condensed statement of financial position		
Current assets	31,909	36,102
Non-current assets	44,258	46,527
Current liabilities	(11,280)	(10,912)
Non-current liabilities	(20,387)	(21,289)
Net equity	44,500	50,428
Share of non-controlling interests in equity	19,094	21,638
Condensed statement of comprehensive income		
Sales	66,821	55,955
Cost of sales	(41,246)	(33,350)
Administrative expenses	(7,766)	(5,450)
Selling and distribution expenses	(5,403)	(4,100)
Other expenses, net	(4,350)	(4,256)
Profit for the year before tax	8,056	8,799
Income tax expense	(483)	(357)
Profit for the year	7,573	8,442
Other comprehensive income items	-	-
Total comprehensive income for the year	7,573	8,442
Non-controlling interests' share of operating results	**3,249**	**3,622**
Condensed statement of cash flows:		
Operating activities	8,949	12,276
Investing activities	8,432	(7,598)
Financing activities	(15,468)	(6,405)
Net increase (decrease) in cash and cash equivalents	1,913	(1,727)

(IN THOUSANDS OF JORDANIAN DINARS)

	Al Daman for Investment	
Condensed statement of financial position	2023	2022
Current assets	3,668	3,312
Non-current assets	8,901	8,864
Current liabilities	(253)	(221)
Non-current liabilities	(1,471)	(1,414)
Net equity	10,845	10,541
Share of non-controlling interests in equity	4,194	4,076
Condensed statement of comprehensive income		
Operating revenues	517	485
Operating expenses	(342)	(322)
Administrative expenses	(183)	(186)
Share of associate's results	287	218
Other revenues and expenses, net	225	31
Profit for the year	504	226
Other comprehensive income items	12	126
Total comprehensive income for the year	516	352
Non-controlling interests' share of operating results	**199**	**136**
Condensed statement of cash flows:		
Operating activities	66	157
Investing activities	(275)	300
Financing activities	(67)	(102)
Net (decrease) increase in cash and cash equivalents	(276)	355

(IN THOUSANDS OF JORDANIAN DINARS)

(29) NET OPERATING REVENUES

2023-	Hotels sector*	Press and publishing sector	Power sector	Commercial sector	Other sectors	Total sectors
Operating revenues	38,680	5,764	581,998	66,821	8,256	701,519
Operating expenses	(13,542)	(3,790)	(479,671)	(41,246)	(3,957)	(542,206)
Net operating profit (loss)	25,138	1,974	102,327	25,575	4,299	159,313

2022-	Hotels sector	Press and publishing sector	Power sector	Commercial sector	Other sectors	Total sectors
Operating revenues	35,525	5,468	583,919	55,955	8,408	689,275
Operating expenses	(13,124)	(5,871)	(461,839)	(33,350)	(5,597)	(519,781)
Net operating revenues	22,401	(403)	122,080	22,605	2,811	169,494

* The details of the operating income of the hotel sector are as follows:

2023-	Amrah Crowne Plaza – Amman	Crowne Plaza- Petra	InterContinental – Aqaba	Holiday Inn – Dead Sea	Crowne Plaza Dead Sea	Total
Operating revenues	7,289	5,008	8,495	6,501	11,387	38,680
Operating expenses	(2,460)	(1,588)	(2,750)	(2,393)	(4,351)	(13,542)
Net operating revenues	4,829	3,420	5,745f	4,108	7,036	25,138

2022-	Amrah Crowne Plaza – Amman	Crowne Plaza- Petra	InterContinental – Aqaba	Holiday Inn – Dead Sea	Crowne Plaza Dead Sea	Total
Operating revenues	6,862	4,007	8,924	5,907	9,825	35,525
Operating expenses	(2,621)	(1,278)	(2,899)	(2,356)	(3,970)	(13,124)
Net operating revenues	4,241	2,729	6,025	3,551	5,855	22,401

(30) INTEREST INCOME

This item consists of the following:

	2023	2022
Interest on bonds and treasury bills*	505,775	437,978
Interest on balances and deposits at banks and financial institutions*	105,571	73,908
Interest on loans and granted debts	27,433	20,769
Interset on resale agreements to associates	3,487	-
	642,266	532,655

* These items contain an amount of JD 4,799 thousand as of 31 December 2023 representing interest income for the unemployment fund (2022: JD 6,215 thousand).

(IN THOUSANDS OF JORDANIAN DINARS)

(31) GAINS OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS, NET

This item consists of the following:

	2023	2022
Realized gains	136	11
Unrealized revaluation gains	(4,046)	10,532
Commissions on purchasing and selling of financial assets	(2)	(1)
	(3,912)	10,542

(32) GAINS ON INVESTMENT PROPERTIES, NET

This item consists of the following:

	2023	2022
Revenues:		
Leased properties revenue	6,156	3,736
Expenses:		
Management fees, evaluation and other fees	(485)	(384)
Change in fair value:		
Gains on investment properties valuation at fair value (note 14)	22,425	36,309
	28,096	39,661

(33) DIVIDENDS DISTRIBUTION

This item consists of the following:

	2023	2022
Dividends from financial assets through other comprehensive income	107,584	77,083
Dividends from financial assets through profit or loss	7,988	7,875
	115,572	84,958

(IN THOUSANDS OF JORDANIAN DINARS)

(34) GENERAL AND ADMINISTRATIVE EXPENSES

This item consists of the following:

	2023	2022
Salaries, wages and employees' benefits	35,845	36,999
Subscriber services expense	15,740	15,608
Interestson late bill payments	5,598	9,434
Vehicles, travel and transportation expenses	4,500	6,255
Governmental fees and licenses	4,428	4,090
End of service indemnity (note 22)	3,987	4,173
Professional and consultancy fees	2,464	2,053
Spare parts and material	1,449	1,162
Insurance expense	1,306	944
Electricity, water and fuel	1,110	843
Hotels supervision and operating fees	1,071	760
Depreciation on right of use asset	781	767
Interest on lease contracts obligations	626	651
Board of Director's remuneration and transportation	594	1,605
Telephone and mail	512	845
Stationery and printings	510	636
Legal and judicial compensation and losses expense	421	409
Rent	344	310
Repair and maintenance	320	194
Training and courses expense	295	248
Others	8,678	3,062
	90,579	91,048

(35) FINANCE COST

This item includes finance costs and delay interests on repayments of energy bills of Kingdom Electricity Company for Energy Investments amounting to JD 7,845 thousand as at 31 December 2023 (2022: JD 6,848 thousand).

(36) CASH AND CASH EQUIVALENTS

This item consists of the following:

	2023	2022
Cash on hand, current and on demand accounts (note 3)	22,623	31,906
Deposits maturing within three months or less (note 4)	693,898	1,097,038
	716,521	1,128,944

Cash and cash equivalents in the consolidated statement of cash flows consist of the following:

	2023	2022
Cash and cash equivalents	716,521	1,128,944
Due to banks (note 23)	(89,324)	(40,355)
	627,197	1,088,589

(IN THOUSANDS OF JORDANIAN DINARS)

(37) RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent associate companies, major shareholders in associates, directors and key management personnel and companies of which they are principal owners. The Group entered into transactions with the Social Security Corporation and associates in its normal course of business with normal pricing, policies and terms. All loans granted to related parties are considered performing loans.

The following is a summary of related parties' transactions during the year:

	2023				2022
Consolidated Statements of financial position items	Parent	Associates	Others	Total	Total
Assets and liabilities:					
Bank balances and deposits-					
Jordan Kuwait Bank (current account)	-	6	-	6	186
Jordan Kuwait Bank (deposits)	-	89,585	-	89,585	63,000
Jordan Kuwait Bank (Deposits related to resale agreements)	-	80,000	-	80,000	-
(A) - Due from a related party-					
Al-Zarqa Station for Electrical Power Generation	-	181	-	181	-
InterContinental Hotels Group	-	-	-	-	251
				169,772	63,437
(B) - Due to related parties-	-	-	537	537	55
Related party	-	-	-	537	55
(C) - Liabilities -					
Unpaid contributions to the parent institution	5,179	-	-	5,179	5,100
(D) – Loans -					
Social Security Corporation	120,000	-	-	120,000	120,000
Jordan Kuwait Bank (Note 21)	-	1,334	-	1,334	20,667
Consolidated statement of revenue and expenses items					
(E) - Interest-					
Deposits at Jordan Kuwait Bank	-	3,673	-	3,673	2,294
Interest on Jordan Kuwait bank resale agreement	-	3,487	-	3,487	-
Social Security Corporation	5,062	-	-	5,062	4,027
(F) – Other Items					
Salaries and bonuses of senior executive management	-	-	766	766	708
Board of Investment Remuneration	-	-	119	119	115
(G) - Cash dividends-					
Jordan Petroleum Refinery Co.	-	10,200	-	10,200	5,444
The Jordan Worsted Mills Factory	-	421	-	421	406
Jordan Telecommunication Co.	-	11,372	-	11,372	7,798
Jordanian Electric Power Co.	-	1,895	-	1,895	1,687
Jordan Kuwait Bank	-	2,525	-	2,525	2,209

(38) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and bank balances, deposits at banks and financial institutions, financial assets at fair value through profit or loss, loans and granted debts, financial assets at fair value through other comprehensive income, financial assets at amortized cost, due from a related party and some other current assets.

Financial liabilities consist of due to banks, bank loans due to related parties and some other current liabilities.

The fair value of financial instruments is not materially different from their carrying values.

(39) RISK MANAGEMENT

The Group manages financial risks through a systematic methodology and a comprehensive strategy to identify the sources, types of risks and the mechanism of measuring, analyzing and planning to mitigate and manage the risk by reducing the effect of such risks and the probability of occurrence through available hedging instruments.

Risk management represents a continuous process where the Group monitors risks and then handles the variances that exceed allowed limits.

In addition, the Group also ensures the compliance with laws and regulations that governs the Group's activities which is reflected it in its policies and procedures.

Risk management function is performed by a specialized risk management and compliance measurement department, in addition to the existing supporting committees such as the internal investment committee.

CREDIT RISK

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation as they fall due.

The Group performs necessary financial and credit analysis when acquiring any bonds for public or private shareholding companies or when granting loans. Moreover, the Fund sets deposits ceiling for the local banks based on a defined methodology and the credit rating of the bank in addition to setting a ceiling for the volume of transactions with brokers based on a defined methodology.

OPERATING RISK

Operating risk is the risk that may arise during the execution of transactions and may be caused by internal factors related to employees, support services or information technology systems.

The Group issues policies and procedures to ensure proper execution of transactions in addition to providing the best information systems and specialized technical personnel and to develop plans to maintain business continuity under any emergency.

MARKET RISK

Market risk arises from fluctuations in the value of investment instruments, especially the fluctuations in stock prices and investment properties value, where the Group measures the risk through known statically measures (standard deviation, variance and covariance, coherence, beta, value at risk) and thus determines levels of acceptable risks based on approved strategic investment policy.

To mitigate the impact of such risks, especially in the absence of necessary hedging instruments, the Group increases the level of diversification in its portfolio and decreases the grade of correlation between the portfolio tools through proper sector distribution, and geographical distribution through approaching markets and investments that are less correlated.

INTEREST RATE RISK

Risks arising from changes in the underlying structure of interest rates, which in turn affect the value of investment instruments linked to interest rates, the returns on these instruments, and the reinvestment of the returns of these instruments.

The Group manages such risk through increasing or decreasing the recovery period of the investment instrument portfolio which is affected directly by interest rates such as deposits and bonds based on the Fund's expectations of interest rate trends.

The Group performs analysis on the gaps of the investment instruments maturities and links it with the investment maturities and other liabilities which is performed by assets and liabilities committee, by allocating cash market management portfolio and bonds portfolio to fit its maturities with the obligations of the Social Security Investment Fund and other liabilities

(IN THOUSANDS OF JORDANIAN DINARS)

The sensitivity of the consolidated statement of revenues and expenses is affected by the assumed changes in interest rates on the Group's profit for one year, calculated for financial assets and financial liabilities with floating rates held at 31 December.

The following table demonstrates the sensitivity of the consolidated statement of revenues and expenses to reasonable and possible changes in interest rate as of 31 December while all other variables are held constant:

2023-	Increase in interest rate	Impact on surplus of revenues over expenses for the year	Impact on owners' equity
Currency	%		
JD	1	107,058	107,058
USD	1	4,737	4,737
2022-			
Currency	%		
JD	1	96,428	96,428
USD	1	4,147	4,147

The effect of the decrease in interest rates with the same percentage is expected to be equal and opposite to the effect of increase shown above.

SHARE PRICE RISK

Share price risk represents the risk resulting from changes in the fair value of investment in shares. The Group manages these risks by diversifying investments in several economic sectors and geographical areas. Investments in shares included within the consolidated financial statements are mainly listed in Amman Stock Exchange Market.

(IN THOUSANDS OF JORDANIAN DINARS)

The following table demonstrates the sensitivity of the consolidated statement of revenues and expenses (for financial assets at fair value through profit or loss) and statement of changes in equity (for financial assets at fair value through other comprehensive income) as a result of possible and reasonable changes in share prices, assuming that other variables held constant:

2023-	Change in indicator	Effect on surplus of revenues over expenses for the year	Effect on Social Security Corporation equity
	%		
Indicator			
Amman Stock Exchange	5	6,519	80,861
Palestine Stock Exchange	5	570	570
London Stock Exchange	5	-	3,581
		7,089	85,012
2022-			
Indicator			
Amman Stock Exchange	5	6,654	88,514
Palestine Stock Exchange	5	653	653
London Stock Exchange	5	-	2,938
		7,307	92,105

The effect of the decrease in share prices with the same percentage is expected to be equal and opposite to the effect of increases shown above.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to the changes in foreign exchange rates. The Group's functional currency is the Jordanian Dinar, and US Dollar is considered as the base currency for foreign investments. Therefore, due to the fact that the Dinar is fixed against the US Dollar, the Group is not exposed to significant currencies risk in relation to the US Dollar. Furthermore, the Group does not have any obligations in foreign currencies, accordingly, no hedging was performed against their obligations.

LIQUIDITY RISK

Liquidity risk is defined as the Group's inability to cover its obligations at their respective due dates. Since the Group does not have short-term and middle term obligations, the liquidity is managed to provide the required funding for investing activities to balance the maturities of investment instruments and investment obligations.

(IN THOUSANDS OF JORDANIAN DINARS)

The contractual maturity dates of assets are determined based on the remaining period of the contractual maturity date without taking into account the actual benefits reflected by the historical facts to maintain deposits and provide liquidity retention of deposits and the provision of the liquidity.

The following table summarizes the maturities of assets, liabilities and equity:

2023-	Up to one month	One to three months	Three to six months	More than six months up to a year	More than one year up to three years	More than three years	Without maturity	Total
Assets								
Cash and bank balances	22,623	-	-	-	-	-	-	22,623
Deposits at banks and financial institutions	192,545	501,353	452,969	774,747	-	-	-	1,921,614
Financial assets at fair value through profit or loss	-	-	-	-	-	-	141,795	141,795
Loans and granted debts	3,277	11,236	22,802	11,365	157,070	293,490	-	499,240
Financial asset at fair value through other comprehensive income	-	-	-	-	-	-	1,601,068	1,601,068
Investments in associates	-	-	-	-	-	-	542,084	542,084
Financial assets at amortized cost	307,354	183,998	166,052	299,766	2,417,279	5,361,537	-	8,735,986
Subscribers' contributions and rural fils assets	-	-	-	-	-	-	205,888	205,888
Projects under construction	-	-	-	-	-	-	122,222	122,222
Inventories	-	-	-	-	-	-	33,255	33,255
Property and equipment	-	-	-	-	-	-	408,664	408,664
Investment properties	-	-	-	-	-	-	898,449	898,449
Investments in joint operations	-	-	-	-	-	-	15	15
Due from a related party	-	-	-	-	-	-	181	181
Intangible assets	-	-	-	-	-	-	65,356	65,356
Other assets	-	-	-	-	-	-	419,129	419,129
Total Asset	525,799	696,587	641,823	1,085,878	2,574,349	5,655,027	4,438,106	15,617,569
Liabilities and Equity								
Liabilities-								
Subscribers' contributions and rural fils liabilities	-	-	-	-	-	-	205,888	205,888
Electricity service subscribers' deposits	-	-	-	-	-	90,838	-	90,838
Advance payments from electricity subscribers	-	-	-	-	-	24,751	-	24,751
Due to National Electric Power Company	-	-	-	-	-	143,949	-	143,949
Bank loans	2,000	-	15,110	22,959	13,867	10,391	-	64,327
Income tax provision	-	-	5,914	-	-	-	-	5,914
End of service indemnity provision	-	-	-	-	-	-	24,078	24,078
Due to banks	89,324	-	-	-	-	-	-	89,324
Due to related parties	-	-	-	-	-	-	537	537
Other liabilities	-	-	-	-	-	205,026	-	205,026
Total liabilities	91,324	-	21,024	22,959	13,867	474,955	230,503	854,632
Equity-								
Social Security Corporation Equity:								
Social Security Corporation current account	-	-	-	-	-	-	7,349,136	7,349,136
Social Security Corporation current account – Unemployment Fund	-	-	-	-	-	-	93,573	93,573
Property and equipment revaluation reserve	-	-	-	-	-	-	31,812	31,812
Fair value reserve	-	-	-	-	-	-	453,487	453,487
Cash flow hedges reserve	-	-	-	-	-	-	3,860	3,860
Surplus of revenues over accumulated expenses	-	-	-	-	-	-	6,779,205	6,779,205
Total Social Security Corporation Equity	-	-	-	-	-	-	14,711,073	14,711,073
Non-controlling interests	-	-	-	-	-	-	51,864	51,864
Total liabilities and equity	91,324	-	21,024	22,959	13,867	474,955	14,993,440	15,617,569

(IN THOUSANDS OF JORDANIAN DINARS)

2022-	Up to one month	One to three months	More than three months	More than six months up to a year	More than one year up to three years	More than three years	Without maturity	Total
Assets								
Cash and bank balances	31,906	-	-	-	-	-	-	31,906
Deposits at banks and financial institutions	688,002	409,036	275,615	385,497	-	-	-	1,758,150
Financial assets at fair value through profit or loss	-	-	-	-	-	-	146,126	146,126
Loans and granted debts	2,851	12,527	17,981	20,096	93,359	250,921	-	397,735
Financial asset at fair value through other comprehensive income	-	-	-	-	-	-	1,743,436	1,743,436
Investments in associates	-	-	-	-	-	-	518,134	518,134
Financial assets at amortized cost	-	169,101	185,037	118,352	1,303,388	6,093,813	-	7,869,691
Subscribers' contributions and rural fils assets	-	-	-	-	-	202,041	-	202,041
Projects under construction	-	-	-	-	-	-	120,836	120,836
Inventories	-	-	-	-	-	-	36,349	36,349
Property and equipment	-	-	-	-	-	-	376,659	376,659
Investment properties	-	-	-	-	-	-	862,192	862,192
Investments in joint operations	-	-	-	-	-	-	15	15
Due from a related party	-	-	-	251	-	-	-	251
Intangible assets	-	-	-	-	-	-	69,629	69,629
Other assets	-	-	-	-	-	-	442,286	442,286
Total Asset	722,759	590,664	478,633	524,196	1,396,747	6,546,775	4,315,662	14,575,436
Liabilities and Equity								
Liabilities-								
Subscribers' contributions and rural fils liabilities	-	-	-	-	-	-	202,041	202,041
Electricity service subscribers' deposits	-	-	-	-	-	85,456	-	85,456
Advance payments from electricity subscribers	-	-	-	-	-	22,550	-	22,550
Due to National Electric Power Company	-	-	-	-	-	227,537	-	227,537
Bank loans	2,000	-	16,638	25,280	15,269	11,442	-	70,629
Income tax provision	-	-	10,034	-	-	-	-	10,034
End of service indemnity provision	-	-	-	-	-	-	22,333	22,333
Due to banks	40,355	-	-	-	-	-	-	40,355
Due to related parties	-	-	-	-	-	-	55	55
Other liabilities	-	-	-	-	-	202,187	-	202,187
Total liabilities	42,355	-	26,672	25,280	15,269	549,172	224,429	883,177
Equity-								
Social Security Corporation Equity:								
Social Security Corporation current account	-	-	-	-	-	-	6,972,968	6,972,968
Social Security Corporation current account – Unemployment Fund	-	-	-	-	-	-	84,910	84,910
Property and equipment revaluation reserve	-	-	-	-	-	-	31,812	31,812
Fair value reserve	-	-	-	-	-	-	577,896	577,896
Cash flow hedges reserve	-	-	-	-	-	-	4,469	4,469
Surplus of revenues over accumulated expenses	-	-	-	-	-	-	5,966,777	5,966,777
Total Social Security Corporation Equity	-	-	-	-	-	-	13,638,832	13,638,832
Non-controlling interests	-	-	-	-	-	-	53,427	53,427
Total liabilities and equity	42,355	-	26,672	25,280	15,269	549,172	13,916,688	14,575,436

(IN THOUSANDS OF JORDANIAN DINARS)

Sensitivity of interest prices were as follows:

2023-	Up to one month	More than one month	More than three months	More than six months up to a year	More than one year up to three years	More than three years	Non-interest bearing	Total
Assets								
Cash and bank balances	22,623	-	-	-	-	-	-	22,623
Deposits at banks and financial institutions	192,545	501,353	452,969	774,747	-	-	-	1,921,614
Financial assets at fair value through profit or loss	-	-	-	-	-	-	141,795	141,795
Loans and granted debts	3,277	11,236	22,802	11,365	157,070	293,490	-	499,240
Financial asset at fair value through other comprehensive income	-	-	-	-	-	-	1,601,068	1,601,068
Investments in associates	-	-	-	-	-	-	542,084	542,084
Financial assets at amortized cost	307,354	183,998	166,052	299,766	2,417,279	5,361,537	-	8,735,986
Subscribers' contributions and rural fils assets	-	-	-	-	-	-	205,888	205,888
Projects under construction	-	-	-	-	-	-	122,222	122,222
Inventories	-	-	-	-	-	-	33,255	33,255
Property and equipment	-	-	-	-	-	-	408,664	408,664
Investment properties	-	-	-	-	-	-	898,449	898,449
Investments in joint operations	-	-	-	-	-	-	15	15
Due from a related party	-	-	-	-	-	-	181	181
Intangible assets	-	-	-	-	-	-	65,356	65,356
Other assets	-	-	-	-	-	-	419,129	419,129
Total Asset	525,799	696,587	641,823	1,085,878	2,574,349	5,655,027	4,438,106	15,617,569
Liabilities and equity								
Liabilities-								
Subscribers' contributions and rural fils liabilities	-	-	-	-	-	-	205,888	205,888
Electricity service subscribers' deposits	-	-	-	-	-	90,838	-	90,838
Advance payment from electricity subscribers	-	-	-	-	-	24,751	-	24,751
Due to National Electric Power Company	-	-	-	-	-	143,949	-	143,949
Bank loans	2,000	-	15,110	22,959	13,867	10,391	-	64,327
Income tax provision	-	-	5,914	-	-	-	-	5,914
End of service indemnity provision	-	-	-	-	-	-	24,078	24,078
Due to banks	89,324	-	-	-	-	-	-	89,324
Due to related parties	-	-	-	-	-	-	537	537
Other liabilities	-	-	-	-	-	205,026	-	205,026
Total Liabilities	91,324	-	21,024	22,959	13,867	474,955	230,503	854,632
Equity-								
Social Security Corporation Equity:								
Social Security Corporation current account	-	-	-	-	-	-	7,349,136	7,349,136
Social Security Corporation current account – Unemployment Fund	-	-	-	-	-	-	93,573	93,573
Property and equipment revaluation reserve	-	-	-	-	-	-	31,812	31,812
Fair value reserve	-	-	-	-	-	-	453,487	453,487
Cash flow hedges reserve	-	-	-	-	-	-	3,860	3,860
Surplus of revenues over accumulated expenses	-	-	-	-	-	-	6,779,205	6,779,205
Total Social Security Corporation Equity	-	-	-	-	-	-	14,711,073	14,711,073
Non-controlling interests	-	-	-	-	-	-	51,864	51,864
Total liabilities and equity	91,324	-	21,024	22,959	13,867	474,955	14,993,440	15,617,569
Sensitivity variance	434,475	696,587	620,799	1,062,919	2,560,482	5,180,072	(10,555,334)	-
Cumulative sensitivity variance	434,475	1,131,062	1,751,861	2,814,780	5,375,262	10,555,334	-	-

(IN THOUSANDS OF JORDANIAN DINARS)

2022-	Up to one month	More than one month	More than three months	More than six months up to a year	More than one year up to three years	More than three years	Non-interest bearing	Total
Assets								
Cash and bank balances	31,906	-	-	-	-	-	-	31,906
Deposits at banks and financial institutions	688,002	409,036	275,615	385,497	-	-	-	1,758,150
Financial assets at fair value through profit or loss	-	-	-	-	-	-	146,126	146,126
Loans and granted debts	2,851	12,527	17,981	20,096	93,359	250,921	-	397,735
Financial asset at fair value through other comprehensive income	-	-	-	-	-	-	1,743,436	1,743,436
Investments in associates	-	-	-	-	-	-	518,134	518,134
Financial assets at amortized cost	-	169,101	185,037	118,352	1,303,388	6,093,813	-	7,869,691
Subscribers' contributions and rural fils assets	-	-	-	-	-	202,041	-	202,041
Projects in progress	-	-	-	-	-	-	120,836	120,836
Inventories	-	-	-	-	-	-	36,349	36,349
Property and equipment	-	-	-	-	-	-	376,659	376,659
Investment properties	-	-	-	-	-	-	862,192	862,192
Investments in joint operations	-	-	-	-	-	-	15	15
Due from a related party	-	-	-	251	-	-	-	251
Intangible assets	-	-	-	-	-	-	69,629	69,629
Other assets	-	-	-	-	-	-	442,286	442,286
Total Asset	722,759	590,664	478,633	524,196	1,396,747	6,546,775	4,315,662	14,575,436
Liabilities and equity								
Liabilities-								
Subscribers' contributions and rural fils liabilities	-	-	-	-	-	-	202,041	202,041
Electricity service subscribers' deposits	-	-	-	-	-	85,456	-	85,456
Advance payment from electricity subscribers	-	-	-	-	-	22,550	-	22,550
Due to National Electric Power Company	-	-	-	-	-	227,537	-	227,537
Bank loans	2,000	-	16,638	25,280	15,269	11,442	-	70,629
Income tax provision	-	-	10,034	-	-	-	-	10,034
End of service indemnity provision	-	-	-	-	-	-	22,333	22,333
Due to banks	40,355	-	-	-	-	-	-	40,355
Due to related parties	-	-	-	-	-	-	55	55
Other liabilities	-	-	-	-	-	202,187	-	202,187
Total Liabilities	42,355	-	26,672	25,280	15,269	549,172	224,429	883,177
Equity-								
Social Security Corporation Equity:								
Social Security Corporation current account	-	-	-	-	-	-	6,972,968	6,972,968
Social Security Corporation current account – Unemployment Fund	-	-	-	-	-	-	84,910	84,910
Property and equipment revaluation reserve	-	-	-	-	-	-	31,812	31,812
Fair value reserve	-	-	-	-	-	-	577,896	577,896
Cash flow hedges reserve	-	-	-	-	-	-	4,469	4,469
Surplus of revenues over accumulated expenses	-	-	-	-	-	-	5,966,777	5,966,777
Total Social Security Corporation Equity	-	-	-	-	-	-	13,638,832	13,638,832
Non-controlling interests	-	-	-	-	-	-	53,427	53,427
Total liabilities and equity	42,355	-	26,672	25,280	15,269	549,172	13,916,688	14,575,436
Sensitivity variance	680,404	590,664	451,961	498,916	1,381,478	5,997,603	(9,601,026)	-
Cumulative sensitivity variance	680,404	1,271,068	1,723,029	2,221,945	3,603,423	9,601,026	-	-

(IN THOUSANDS OF JORDANIAN DINARS)

(40) SEGMENT INFORMATION

The Group mainly operate in the Hashemite Kingdom of Jordan and its assets and liabilities are distributed according to geographical regions as follows:

	31 December 2023		31 December 2022	
	Assets	Liabilities	Assets	Liabilities
Geographical region				
Inside Jordan	15,534,546	854,632	14,503,620	883,177
Arab countries (note 5)	11,408	-	13,053	-
Europe (note 7)	71,615	-	58,763	-
	15,617,569	854,632	14,575,436	883,177

Assets and liabilities are distributed according to economic sectors as follows:

	31 December 2023		31 December 2022	
	Assets	Liabilities	Assets	Liabilities
Economic sector				
Investment	14,440,805	23,875	13,367,807	24,832
Hotels	112,329	1,114	119,013	5,369
Energy	839,326	727,631	861,189	751,680
Press and publishing	23,278	25,741	25,196	26,275
Trading	76,167	31,667	82,629	32,195
Other	125,664	44,604	119,602	42,826
	15,617,569	854,632	14,575,436	883,177

(41) CONTINGENT LIABILITIES

The contingent liabilities of the Group as of 31 December 2023 consist of the following:

A. As at 31 December 2023, the outstanding letters of credit and letters of guarantee were JD 9,937 thousand (2022: JD 9,561 thousand).

B. The expected remaining obligations to complete projects in progress for subsidiaries and Hotels owned by the Fund as at 31 December 2023 amounted to JD 174,798 thousand (2022: JD 242,202 thousand).

C. Operating lease commitment for Al Daman for Investments (Subsidiary):

On 30 September 1998, the Company signed a lease agreement for Aqaba Gate Land with an annual amount of JD 66 thousand for a period of 30 years and will be renewed twice in a row with a written request from the Company. Starting from the eleventh year, an increase of a 4% or increase equivalent to the change in living costs in accordance with the official publications of the Central Bank of Jordan for the past year will be applied, whichever is lower.

(IN THOUSANDS OF JORDANIAN DINARS)

The minimum future lease payments as at 31 December were as follows:

	31 December	
	2023	2022
Less than 1 year	120	93
1 to 5 years	544	523
Over 5 years	27,824	27,941
	28,488	28,557

(42) FAIR VALUE HIERARCHY

The following table illustrates the fair value measurement hierarchy for financial instruments. The Group uses the following methods:

- Level (1): Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level (2): Valuation techniques for which Level (1) input that is significant to the fair value measurement is directly (such as prices) or indirectly observable (any derivative of prices).
- Level (3): Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Level (1)	Level (2)	Level (3)	Total
2023 -				
Financial assets:				
Financial assets through profit or loss	141,795	-	-	141,795
Financial assets through other comprehensive income	1,558,440	-	42,628	1,601,068
	1,700,235	-	42,628	1,742,863
2022 -				
Financial assets:				
Financial assets through profit or loss	146,126	-	-	146,126
Financial assets through other comprehensive income	1,695,979	-	47,457	1,743,436
	1,842,105	-	47,457	1,889,562

(43) LITIGATIONS

Social Security Investment Fund

As at 31 December 2023, the Fund was defendant in a number of lawsuits which amounted to JD 924 thousand (31 December 2022: JD 789 thousand). The opinion of the Fund and the legal counselor that the recorded provision of JD 2,058 thousand.

Jordan Press Foundation Al-Rai - Subsidiary

The value of the lawsuits filed against the company as of 31 December 2023, amounted to JD 8,538 thousand (31 December 2022: JD 7,941 thousand) as part of the company's normal activities. The lawyer's letter did not include a legal opinion on the cases; therefore, it was not possible to determine the contingent liabilities or provisions for the cases.

Jordanian Duty Free Shops – Subsidiary

A. There is a number of labor lawsuits against the Group amounting to JD 31,497. In the opinion of the Group's management and legal consultant, provisions for these lawsuits are sufficient.

B. There is a case filed by the group against the Eastern Company for Tobacco and Cigarettes for the amount of JD 850,000 for the damages and harm suffered by the Jordanian Duty-Free Shops Company due to damaged smoke products. Additionally, the defendant (Eastern Company for Tobacco and Cigarettes) has filed a claim to demand an amount of JD 900,000. According to the lawyer's opinion, the position of the Jordanian Duty-Free Shops Company is excellent, and it is expected that the claim of the Eastern Company for Tobacco and Cigarettes will be fully rejected.

C. The group has filed a lawsuit against a Contracting Company for an amount of JOD 2,834 thousand related to the contractor's breach of contract, due fines, as well as a claim for compensation for delay and damage amounting to JOD 200,000. Similarly, the defendant has lodged a claim for an amount of JOD 4,516 thousand, arguing that Jordan Duty Free Shops Company owes this sum for additional work orders and work completed. According to the lawyer's opinion, arbitration proceedings are still in the expertise phase and the position of Jordan Duty Free Shops company is very good. It is expected that the claim is likely to be reduced to approximately JOD 1.2 million before any set-off is carried out with the sum adjudged in Favor of First shop's claim. In the opinion of the Group's management and legal consultant, provisions for these lawsuits are sufficient

National Company for Tourism Development – Subsidiary

The lawsuits filed against the company amounted to JD 20 thousand as of 31 December 2023 (31 December 2022: JD15 thousand).

Kingdom Electricity Company for Energy Investments – Subsidiary

The Group is defendant in a number of lawsuits in the ordinary course of business with an amount of JD 1,721 thousand as at 31 December 2023 (2022: JD 1,115 thousand). The Group management and its legal counsel believe that the provision taken against these is adequate to meet any obligations that may arise and no need to book additional provision against these lawsuits.

The dispute of Irbid Electricity Company (a subsidiary) with National Electric Power Co (NEPCO)

National Electric Power Company (IDECO power provider) has requested Irbid District Electricity Company (a subsidiary) to pay an amount of JD 717 thousand. This amount represents the interest charged on late payments. Irbid District Electricity Company (the subsidiary), along with its legal counsel, is of the opinion that they have no obligations regarding this amount, as it adheres to the electricity Tariff (Wholesale Tariff) issued by the Energy & Minerals Regulatory Commission (EMRC), which should be applicable to both parties.

Crowne Plaza Resort – Dead Sea – Fully Owned Hotel

There are labor lawsuits filed against the resort totaling JD 32 thousand as of 31 December 2023 (31 December 2022: JD 4 thousand). In the opinion of the resort management and its legal advisor, the provision taken is sufficient to meet any liabilities arising from these lawsuits.

Intercontinental Resort – Aqaba - Fully Owned Hotel

The resort is involved in several legal cases amounting to JD 277 as of 31 December 2023 (31 December 2022: JD 264), relating to legal claims associated with its activities. Management has conducted an analysis of the risks associated with these cases and the potential outcomes. Although the exact outcomes of these cases cannot be determined with certainty, management and its legal advisors believe that the provisions taken are sufficient to address any significant liabilities arising from these cases.

Holiday Inn Resort - Dead Sea – Fully Owned Hotel

As of 31 December 2023, the resort is involved in several labor-related lawsuits, with a total value of JD 21 thousand (31 December 2022: JD 27 thousand).

Crowne Plaza Hotel – Amman – Fully Owned Hotel

The lawsuits filed against the hotel amounted to 6 thousand as of 31 December 2023 (31 December 2022: JD 66 thousand). According to the hotel management and legal counsel, there is no need to recognize a provision for these lawsuits.

(IN THOUSANDS OF JORDANIAN DINARS)

Crowne Plaza Hotel Petra and its Rest House - Fully Owned Hotel

"The hotel is involved in several labor-related lawsuits as of 31 December 2023, with a total amount of JD 16 thousand (31 December 2022: JD16 thousand). According to the hotel management and legal counsel, there is no need to take a provision for these lawsuits are sufficient as of 31 December 2023 (31 December 2022: JD 16 thousand)."

(44) INCOME TAX PROVISION

Movements on provision for income tax during the year were as follows:

	2023	2022
Balance as at 1 January	10,034	6,038
Income tax expense for the year	7,997	11,810
Income tax deposits	(113)	(455)
Income tax paid	(12,004)	(7,359)
Balance as at 31 December	5,914	10,034

Income tax presented in the consolidated statement of revenue and expense is as follows:

	2023	2022
Income tax expense for the year	7,997	11,810
Change in deferred tax assets	(638)	(577)
	7,359	11,233

Tax Position of Social Security Corporation Group Companies – Social Security Investment Fund:

Social Security Investment Fund

Income tax provision for the years ended 31 December 2023 and 2022 have been calculated in accordance with Income Tax Law No. (34) of 2014 and its amendments. Management believes that the provision amounting to JD 512 thousand is sufficient and there is no need to recognize any additional provision. Noting that most of the Fund's activities are tax exempted in accordance with the Income Tax Law except for the net income from rents as well as dividends from foreign investments.

The Fund submitted its tax returns for the years 2020 to 2022 within the legal period. The Income Tax Department did not review the Fund's records until the date of preparing these consolidated financial statements. There is a balance in favor of the institution of JD 845 thousand, of which JD 523 thousand as a result of semi-annual payments for 2023.

The Fund obtained a final clearance from the Income and Sales Tax Department up to the year 2014.

The tax returns were submitted on the results of the Fund's operations for the years 2015 to 2019, and the Income Tax Department estimated tax differences of a total of JD 858 thousand for those years. The Fund objected to the amounts claimed and filed a lawsuit against the Department at the Court of First Instance of Income Tax. The case is still pending before the Court as of the date of preparation of the Consolidated financial statements.

Kingdom Electricity Company for Energy Investments

The income tax provision for the Group for the years ending 31 December 2023 and 2022 has been calculated in accordance with the Income Tax Law No. (34) of 2014 and its amendments, which was implemented on the first of January 2019. The statutory income tax rate for KEIC (parent company) is 20% plus 1% due as national contribution tax, and for subsidiaries it is 24% plus 3% due as national contribution tax in the group areas except Aqaba where the statutory income tax rate according to the income and sales tax law of the Aqaba Special Economic Zone is 5% plus 3% due as national contribution tax.

The Company obtained a final clearance from the Income and Sales Tax Department until the end of 2022 except for 2021, and the Company submitted its tax returns and has not been reviewed Income and Sales Tax Department up to the date of these consolidated financial statement.

Irbid District Electricity Company Public Shareholding Company – subsidiary of Kingdom Electricity Company for Energy Investments

The Company has obtained the final clearance from Income Tax Department for all years up to 2020. The Company has submitted its tax declaration till 2022 and 2021. The Income and Sales Tax Department has not reviewed the Company’s records up to the date of the consolidated financial statements.

Electricity Distribution Company Public Shareholding Company – subsidiary of Kingdom Electricity Company for Energy Investments

The company obtained a final clearance until 2021, and the company submitted the tax return for the year 2022 within the legal period. The Income and Sales Tax Department has not audited the Company's accounting records as of the date of preparation of these consolidated financial statements.

Electricity Distribution Company – Aqaba – subsidiary of Kingdom Electricity Company for Energy Investments

The company has obtained the final clearance from Income tax department for all years up to 2021. The company has submitted its tax declaration for the years 2022. which have not been reviewed by the income tax department up to the date of preparation of the consolidated financial statements.

Jordan Press Foundation Public Shareholding Company / Al-Rai

Income tax provisions for the years ended 31 December 2023 and 2022 have not been accrued due to the increase in tax-deductible expenses over taxable revenues according to Income Tax Law No. (34) of 2014 and its amendments.

The company has filed tax returns for the years 2021, 2020, and 2019. However, the Income and Sales Tax Department has not reviewed these returns as of the date of preparation of these consolidated financial statements.

The company has received tax clearance up until the year 2018 from the Income Tax Department.

Jordanian Duty Free Shops Public Shareholding Company – Subsidiary

Income tax is calculated on interest income and other income for the period ended 31 December 2023. The income tax was adjusted starting 1 January 2019 to become 20% for income tax, in addition to 1% national contribution, to become 21% in total according to the Jordanian tax law (34) for 2014 and its amendments.

Based on the Council of Ministers decision in their meeting held on 10 April 2017, the exemption on goods and services from the main activity of the Group was renewed where income tax is calculated on interest income and other income only. Exemption from income tax on Company's activities has been extended for an additional 6 years starting from 1 May 2022 and the year 2022 is considered as the first year included in the exemption.

The Group reached a final settlement with the Income and Sales Tax Department for the years 2004 up to the 2007, and for the years 2009 up to 2019.

An amount of JD 270 thousand was estimated as tax claim for the year 2008, whereby the Income and Sales Tax Department included the interest income and other income as part of the income tax calculation. The tax claim was rejected and the rejection was refused by the Income Tax Department, and hence the Group has filed a lawsuit against the Income and Sales Tax Department at the Tax Court of First Instance and the Court has decided to cancel the claim; The Income Tax Department appealed the judgment and a decision was issued by the Court of Appeal to transfer the case to the Court of Cassation. During 2021 the Court of Cassation returned the case to the Court of First Instance for a reassessment. The court ruled at the year end of 2022 that the company had to pay JD 145 thousand. The amount was fully settled during January 2023.

The Group submitted their tax returns for the years until 2022 within the legal period but they have not been reviewed by the Income and Sales Tax Department up to the date of these consolidated financial statements.

The Group registered in the sales tax retroactively from 1 January 2014, and the declarations are submitted within the legal period. The Group's tax declarations are audited up to 30 June 2019.

National Company for Touristic Development - Subsidiary

Income tax provisions have been accrued for the years ended 31 December 2023, and 31 December 2022, in accordance with Income Tax Law No. (34) of 2014 and its amendments. The statutory income tax rate applicable to the company is 20%, and the national contribution tax rate is 1%. For the company's branch in Aqaba, the statutory income tax rate is 5%, with a national contribution tax rate of 1%.

- Income Tax Provision - Amman Branch:

The company has obtained final tax clearances from the Income and Sales Tax Department until the end of 2016, except for the years 2009 and 2010, The years 2009, 2010, 2017, 2018 and 2019 are still pending in court. The company submitted estimated self-assessments for the years 2020, 2021, and 2022. There is an outstanding penalty balance of JD 1,161 unpaid for the year 2019.

- Income Tax Provision - Aqaba Branch:

The company obtained final tax clearances from the Income and Sales Tax Department until the end of 2020. Estimated self-assessments were submitted for the years 2021 and 2022. The 2021 tax return was rejected due to the company's failure to attach the audited financial statements, while the 2022 tax return was accepted under the sampling system. There is an outstanding balance of JD 120 unpaid for the year 2019.

Al-Daman for Investments Public Shareholding Company – Subsidiary

No income tax was calculated for the years ended 31 December 2023 and 2022 due to the accumulated losses from prior years in accordance with the Income Tax Law No. (34) of 2014 and its amendments and in accordance with the Income Tax Law for Aqaba Special Economic Zone Authority No. (32) of 2000 and its amendments.

The Company reached a final settlement with the Income and Sales Tax Department for its operations in Amman up to the year 2022, except for year 2021.

The company obtained a final clearance from the Aqaba Special Economic Zone Authority for the company's operations in Aqaba until the end of 2017. The company submitted a tax declarations statement for the company's operations in Aqaba for the years 2018, 2019, 2020 and 2022 within the legal deadline, and the Aqaba Special Economic Zone Authority has not reviewed it until the date of preparing the consolidated financial statements.

The Income and Sales Tax Department in the Aqaba Special Economic Zone reviewed the company's operations in Aqaba until the end of 2021. The company submitted a tax declarations statement for the company's operations in Aqaba for the year 2022 within the legal deadline, and the Aqaba Special Economic Zone Authority has not reviewed it until the date of preparing the financial statements.

The Income and Sales Tax Department in the Aqaba Economic Zone has issued a claim for deductions related to professional fees, which are deductions that were imposed on unpaid amounts or transportation allowance expenses for engineers from the Social Security Corporation, and the company has appealed these claims and the case is still pending before the court.

Rama for Investing and Saving Company – Subsidiary

Income tax provision has been accrued for the years ended 31 December 2023, and 31 December 2022, in accordance with Income Tax Law No. (34) of 2014 and its amendments. The statutory income tax rate applicable to the company is 20%, plus an additional 1% as national contribution tax.

Self-assessment returns have been filed up to the year 2022 within the legal timeframe, and these assessments have been accepted by the Income and Sales Tax Department, obtaining final tax clearance.

Al-Daman for Development Zones – Subsidiary

The company and its subsidiaries have filed self-assessment returns up to 2022. Final settlements have been reached with the Income Tax Department for Development Company Limited Liability until the end of 2020, and for Al-Daman for Development of Special Contribution Zones until the end of 2020.

United Travelling Center – Subsidiary

Income tax provision has not been accrued for the years ended 31 December 2023, and 31 December 2022, due to the presence of carried forward losses from previous years, in accordance with the Income Tax Law applicable in the Hashemite Kingdom of Jordan and Accounting Standard No. (12).

The company has filed tax returns for the years 2021 and 2022. However, the Income Tax Department has not reviewed the company's accounting records as of the date of these financial statements.

The company has obtained final tax clearance from the Income Tax Department up until the year 2020.

Al-Daman for Investment and Agricultural Industries LLC - Subsidiary Company

The company is subject to the provisions of Income Tax Law No. (34) of 2014 and its amendments. According to Article (5), the company is exempt from paying tax on the first fifty thousand dinars of income derived from agricultural activities within the kingdom, and it incurs a 20% income tax and 1% national contribution tax on the remaining income.

No provision for income tax has been accrued for the year ended 31 December 2022, due to expenses exceeding taxable income according to the Income Tax Law.

The company has submitted estimated self-assessment returns for the years 2022 and 2021. However, the Income and Sales Tax Department has not reviewed the accounting records as of the date of preparation of the company's financial statements.

Al-Daman Jordanian International Investments LLC - Subsidiary Company

Income tax provision has been accrued for the years ended 31 December 2023 and 2022, in accordance with Income Tax Law No. (34) of 2014 and its amendments.

The Income and Sales Tax Department accepted the tax returns submitted by Al-Daman Jordanian International Investments on a sampling basis up to the year 2020.

The company has filed tax returns for the years 2022 and 2021. However, the Income and Sales Tax Department has not reviewed them as of the date of preparation of the financial statements.

Al-Daman Leasing & Finance Limited Liability Company – Subsidiary

Income tax provision has been accrued for the years ended 31 December 2023 and 2022, in accordance with Income Tax Law No. (34) of 2014 and its amendments.

The Income and Sales Tax Department accepted the tax returns submitted by the company on a sampling basis for the years since 2017 until 2020.

The company has filed tax returns for the years 2022 and 2021. However, as of the date of preparation of these consolidated financial statements, the Income and Sales Tax Department has not reviewed them, and there are no balances owing by the company.

Al-Daman Jordanian International Business Limited Liability Company – Subsidiary

Income tax provision has been accrued for the years ended 31 December 2023 and 2022, in accordance with Income Tax Law No. (34) of 2014 and its amendments.

The Income and Sales Tax Department accepted the tax returns submitted by Al-Daman Jordanian International Investments on a sampling basis until the year 2020. The company has filed tax returns for the years 2021 and 2022. As of the date of preparation of these consolidated financial statements, the Income and Sales Tax Department has not reviewed them.

The Income and Sales Tax Department accepted the tax returns submitted by Al-Daman Jordanian International Business on a sampling basis until the year 2022. The company has submitted a self-estimate statement to the Income and Sales Tax Department for the year 2022.

(45) STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Fund intends to adopt these new and amended standards and interpretations, if applicable, when they become effective:

Amendments to IFRS 16: *Lease Liability in a Sale and Leaseback*

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

Amendments to IAS 1: *Classification of Liabilities as Current or Non-current*

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

The amendments are not expected to have a material impact on the Group's financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

(46) COMPARATIVE FIGURES

The Group have reclassified some of 2022 figures in order to conform with the presentation of figures for the year ended 31 December 2023. Such reclassification did not affect previously reported surplus of revenues over expenses or consolidated social security corporation equity for the year 2022.