صندوق استثمار
أموال الضمان الإجتماعي
Social Security Investment Fund

Annual Report 2022

His Majesty

King Abdullah II Bin Al-Hussein

His Royal Highness
Crown Prince Al Hussein Bin Abdullah II

Contents

Message from the Chairman of the Social Security Investment Board

Esteemed Social Security subscribers and retirees,

On behalf of the Social Security Investment Board, I am pleased to present the annual report for 2022, which includes the Social Security Investment Fund's (SSIF) most prominent achievements, investments, and standalone and consolidated financial statements for the fiscal year ending on 31/12/2022.

Over the course of two decades since its inception, the Fund has consistently delivered remarkable performance, with a notable achievement in 2022. This success can be primarily attributed to its prudent investment strategies and steadfast commitment to exemplary management practices.

Consequently, the total assets surged to around JD 13.8 billion as at 31/12/2022, marking a significant increase from JD 12.3 billion recorded as at 31/12/2021.

We are aware of the momentous responsibility of managing the Social Security Corporation's (SSC) assets. We manage these assets according to professional standards, strict controls, and transparent procedures in order to achieve the highest possible returns within acceptable risk levels. This provides the Corporation with the liquidity necessary to fulfill its obligations towards social security subscribers and pensioners, thereby enhancing their quality of life and achieving national economic growth and sustainable development.

I would like to express my sincere gratitude to all subscribers and pensioners of the Social Security Corporation for your confidence in the Social Security Investment Fund. I would like also to thank members of the SSC Board of Directors, members of the Social Security Investment Board, the Fund's Executive Management, and all its personnel for their efforts to further bolster the SSC's financial position and contributing to enhancing economic activity under the leadership of His Majesty King Abdullah II Ibn Al-Hussein.

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

Mazin M. Al Khatib

Chairman of the Investment Board

Message from the Chief Executive Officer

Honorable Social Security Subscribers and Pensioners,

It gives me great pleasure to present to you the annual report of the Social Security Investment Fund (SSIF) for the fiscal year ending on 31/12/2022.

The year 2022 was a challenging one for the Jordanian economy, but the Fund maintained a good performance in its financial indicators. Total assets increased by 11.8% to reach around JD 13.8 billion, and the Fund also achieved a 15.3% increase in its net income to JD 684.2 million compared to around JD 593.5 million in 2021.

The Fund's investment portfolios continued to focus on stocks and money market tools, while the shares of other portfolios (bonds, loans, real estate, and tourism) underwent varying decreases.

The Fund also continued to pursue its investments in a number of sectors through its various investment arms. Al Daman Investment and Agricultural Industries Company completed work on the first phase of its agricultural project at Al-Mudawwarah in the south of the Kingdom, which included cultivation of 8sq.km of wheat, barley and animal fodder. The project will contribute to achieving good rates of production of strategic crops, most notably wheat, in line with the royal vision to enhance national food security.

Work also continued on the expansion and renovation project of the Crowne Plaza Hotel, Petra. The project, which includes building the first conference facility in Petra and make the city a major destination for conference tourism in the south, will create 200 direct job opportunities.

On the cusp of the second centenary of founding the Jordanian state, and in keeping with the comprehensive national modernization project, the Fund reviewed its strategic plan for 2022-2024 and identified the target sectors for investment, most notably the financial sector, mining, real estate development, tourism, and agriculture. The Fund is also interested in studying investment opportunities presented in the executive program of the economic modernization vision and partnership projects between the public and private sectors.

I would like to extend my sincere thanks to my colleagues at the Investment Fund, on the Investment Board, and on the Board of Directors of the Social Security Corporation for their important role in achieving these momentous results. I also thank all the Fund's partners, oversight authorities, and the media for their major contribution to creating awareness of the Fund's mission and achievements.

I emphasize the Fund's commitment to work in all sincerity and professionalism to remain, as you have always known us, the safety valve that preserves and augments the value of the Social Security Corporation's assets through rewarding investments that have sustainable social and environmental impacts and that contribute to the comprehensive growth of the national economy, in fulfilment of the vision of His Majesty King Abdullah II Ibn Al-Hussein, may God protect him.

May God’s peace and blessings be upon you.

Dr. Ezzeddin Kanakrieh

Chief Executive Officer

Fund in Brief

The Social Security Investment Fund (SSIF) (formerly the Investment Unit) was established in 2001 to manage the investment of the Social Security Corporation (SSC) funds with the objective of realizing meaningful and regular returns on the invested funds while maintaining the real value of the assets and providing the liquidity needed to meet the SSC's future obligations. SSIF started its operations effectively in the beginning of 2003 after adoption of the investment strategies that govern its work. SSIF is subject to the provisions of the Social Security Law No. (1) of 2014.

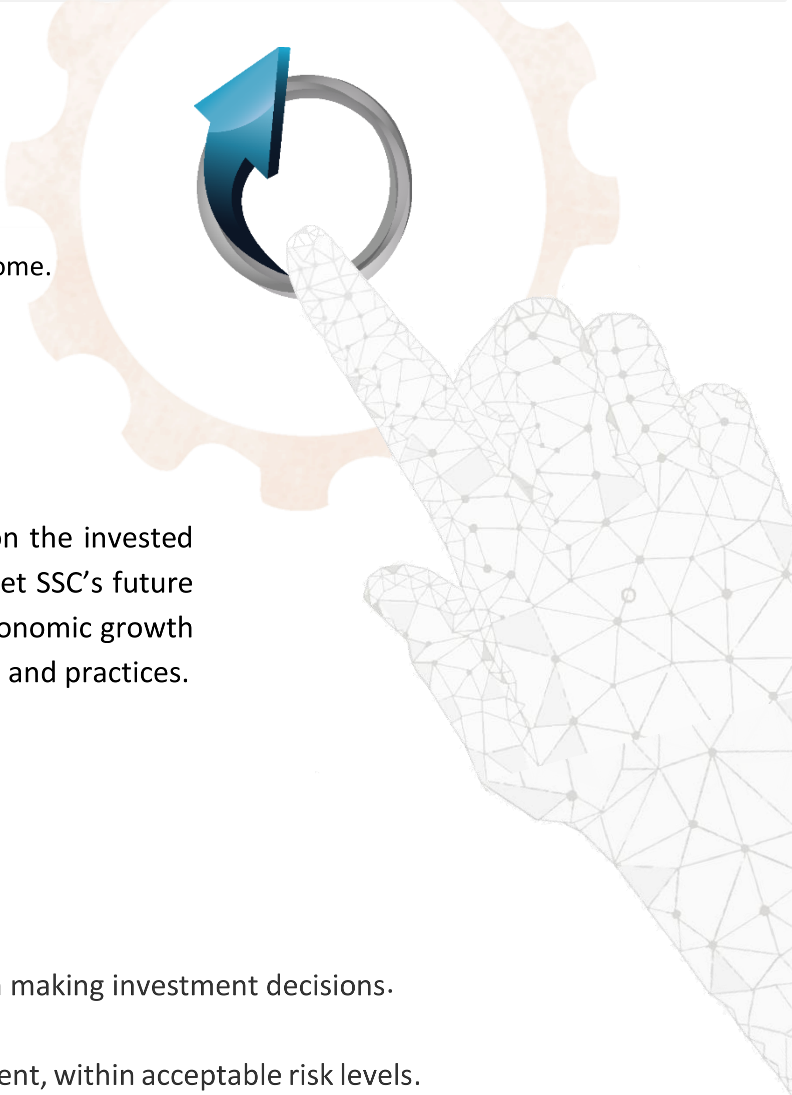
SSIF bylaws and legislation regulate its work in financial, technical and regulatory matters. These bylaws and legislation are approved by the Investment Board and the SSC Board of Directors.

SSIF reviews its assets strategic distribution in light of the SSC's future commitment to stay in line with the indicators of the national economy and the best practices of international pension funds, to achieve the following objectives:

1. To develop revenues in line with the requirements of the actuarial study prepared by the SSC every three years that is approved by the SSC Board of Directors.

2. To comply with the acceptable risk level in accordance with the investment policy that is prepared approved by the Investment Board and the SSC Board of Directors.

Strategic Core



Vision:

Investment to secure the future of generations to come.

Mission:

To realize meaningful and consistent returns on the invested funds, to provide the liquidity necessary to meet SSC's future commitments, and to contribute to national economic growth in accordance with international best standards and practices.

Core Values :

We Invest Responsibly:

- We are proud of the SSIF's independence in making investment decisions.
- We adopt best standards and practices.
- We adopt feasibility as the basis for investment, within acceptable risk levels.

We Work Professionally:

- We are committed to integrity, objectivity, and the ability of our employees to make the right decisions.
- We cooperate at all levels to realize our mission and strategic objectives.
- We maintain an environment that appreciates outstanding performance and we aim to continually upgrade the technical and professional level of our employees.

We believe in Corporate Governance:

- Our decisions are based on a methodology that reflects the highest levels of transparency.
- Corporate social responsibility enhances the investment environment.
- We adopt an organizational methodology and structure which ensure that operations conform with legislation and policies.

The Year 2022 in Perspective

%12.7
Asset Growth

SSIF Assets
13.8
JD billion

Comprehensive Income
1.1
JD billion

Income
684.2
JD million

The Year 2022 in Perspective - Asset Allocation as at the end of 31/12/2022

%18.1
Equities Portfolio

%13.2
Money Market Instruments Portfolio

%55.7
Bonds Portfolio

%6
Real Estate Investments Portfolio

%3.3
Loans Portfolio

%2.3
Tourism Investments Portfolio

The Year 2022 in Perspective - Human Resources as at the end of 31/12/2022

177
Total staff

%34
Percentage of women employees

40
Women employees

%84
Job satisfaction rate

2169
Training hours

830
Training hours for women employees

12

Meetings of the Investment Board

106

Meetings of the Investment Committee

30

Meetings of the Investment Board committees

12 meetings	**6 meetings**	**12 meetings**
Risks Committee	**Governance Committee**	**Auditing Committee**

The Year 2022 in Perspective - The Environment as at the end of 2022

1604 Cubic Meters
Water Consumption

1811 Packs
Paper Consumption

1945 kg
Weight of recycled paper

368047 kilowatt-hours
Electricity Consumption

3 Stations
Solar power for electricity generation

%89
Drop in electricity bill

5511 liters
Fuel Consumption

The Year 2022 in Perspective - Customer and Public Relations as at the end of 2022

30
Media availability

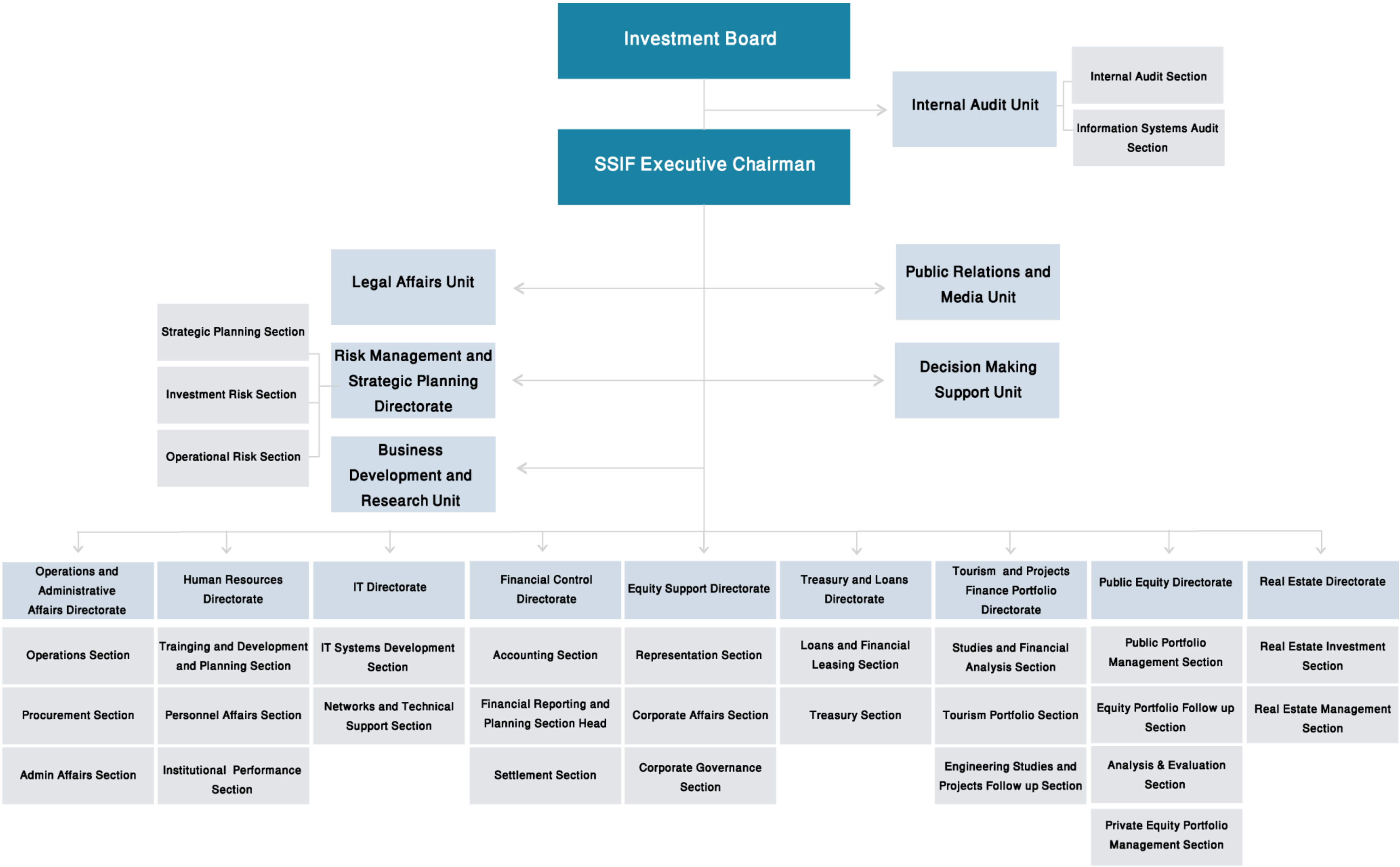
%89.5
Degree of satisfaction of service recipients

%84.3
Degree of satisfaction of service providers

%82.5
Degree of public awareness about the Fund

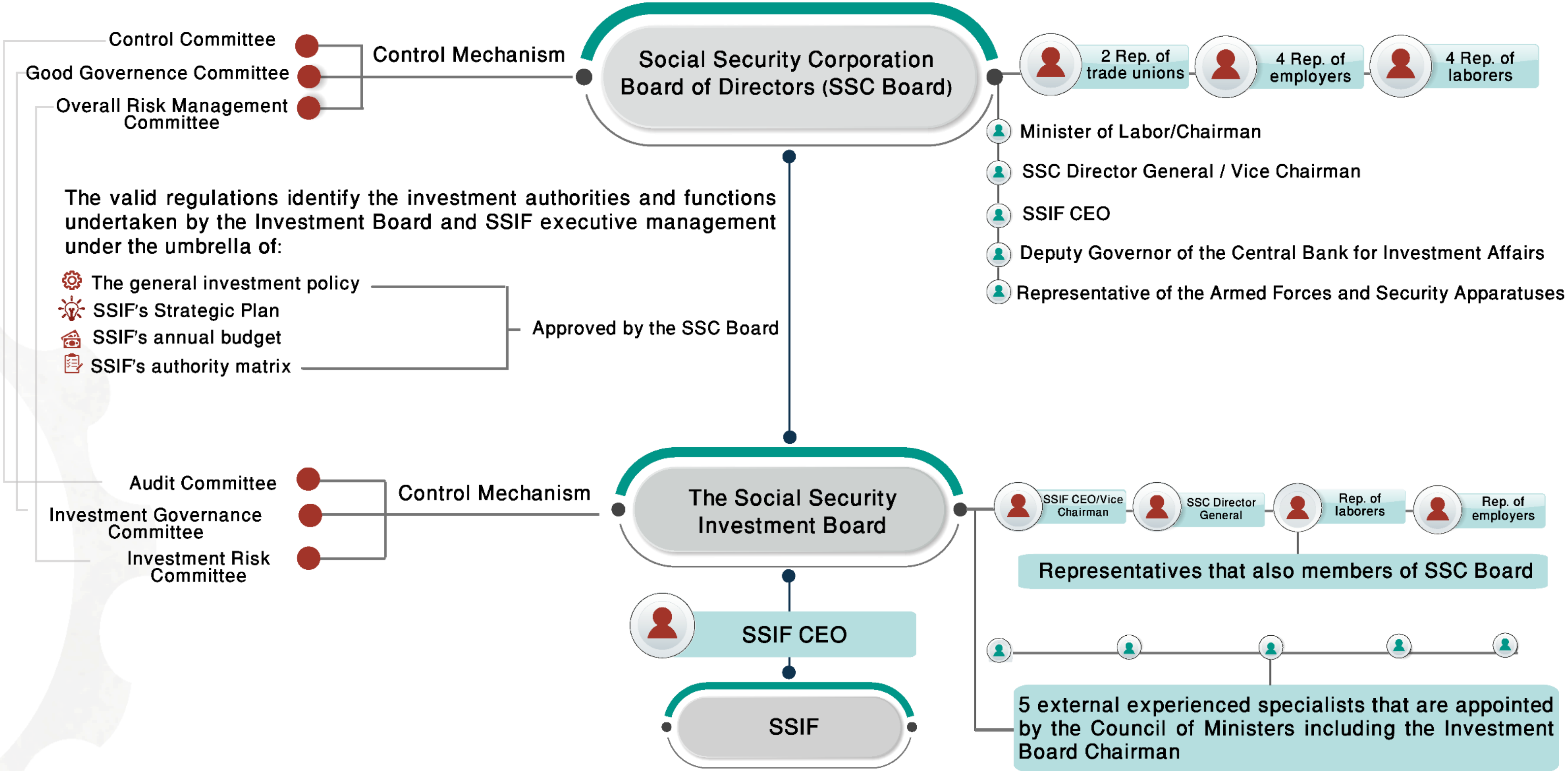
%86.8
Public satisfaction with the SSIF website

Organizational Structure

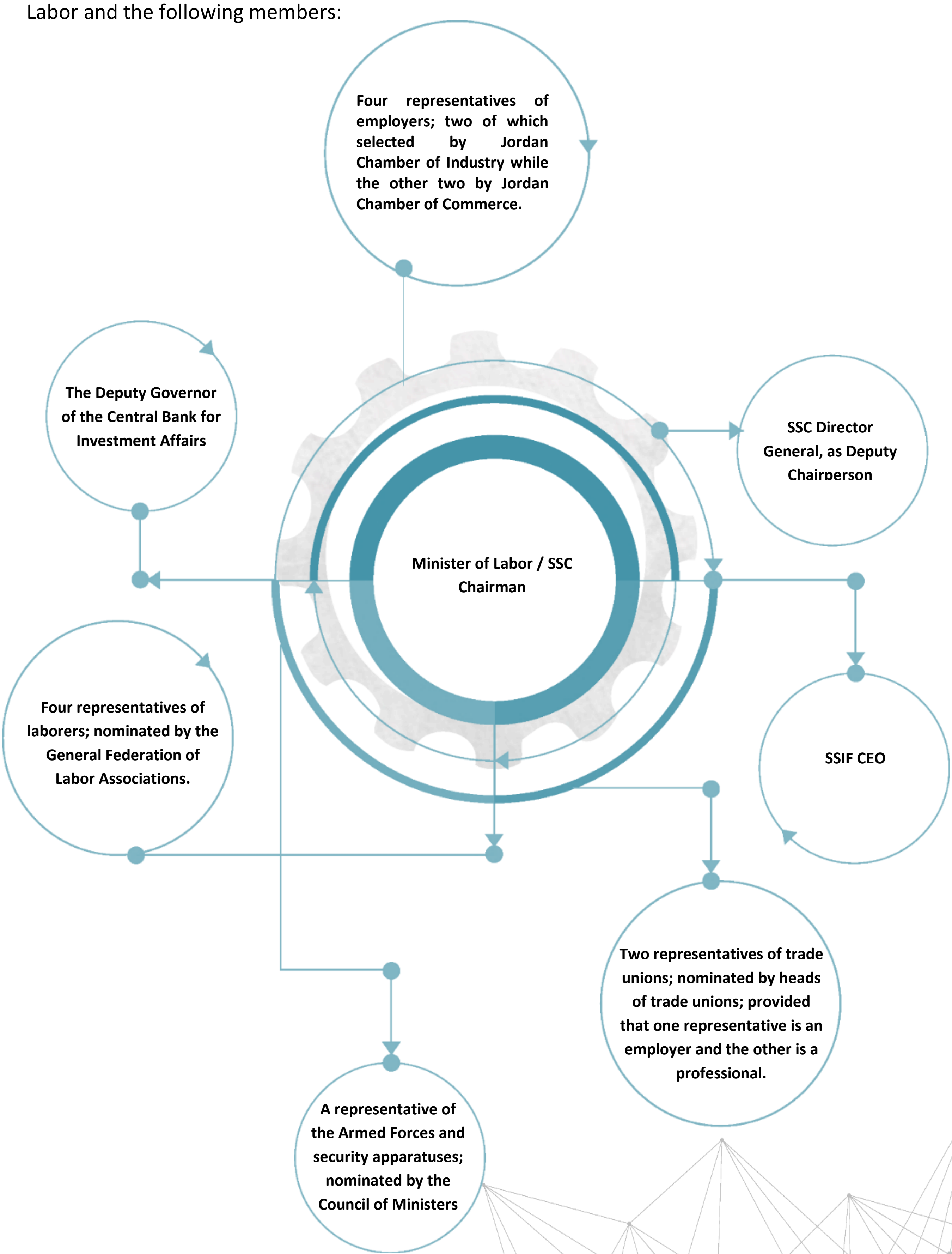


The Fund's work is governed by an integrated control system on more than one level that ensures implementation of corporate governance best practices within the legislation in force.

• The Relationship between the Investment Board and SSC Board of Directors:



Based on the provisions of Article 9, Paragraph A of the Social Security Law of 2014, the Board of Directors of the Social Security Corporation consists of 15 people headed by the Minister of Labor and the following members:

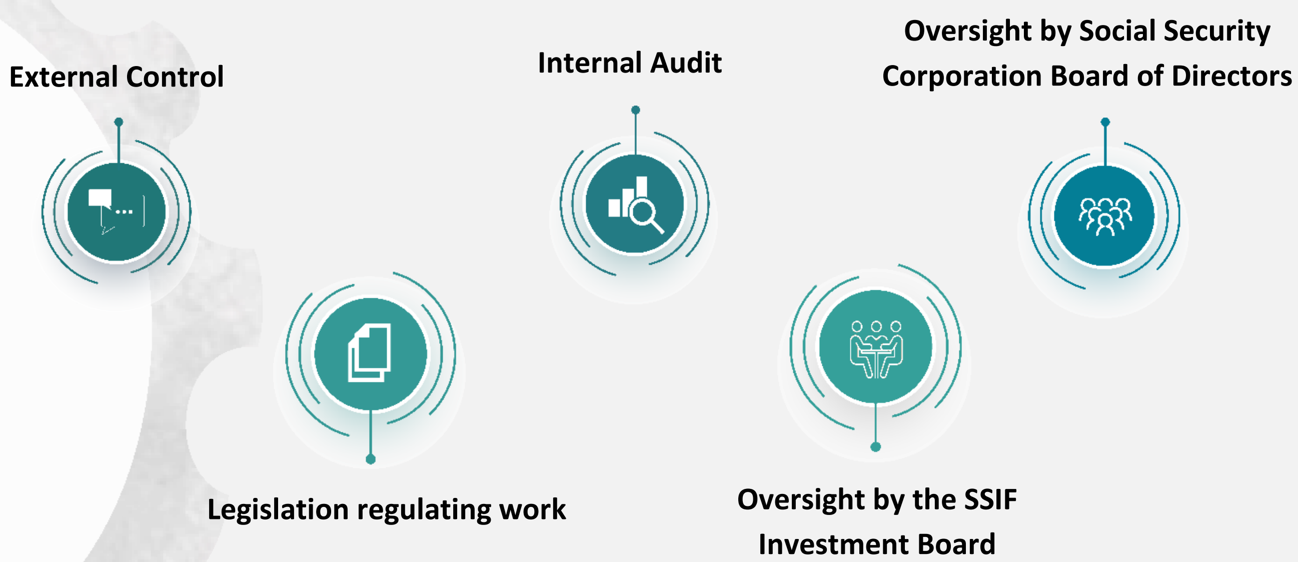


It should be noted that four members of SSC Board of Directors are also ipso facto members of SSIF Investment Board. They are the Fund's CEO, SSC Director General, the Workers' Representative, and the Employers' Representative. Pursuant to the Social Security Law, the SSC Board of Directors exercises its specific tasks which consist of approving the policies and budget of the SSC and the Fund, and exercising its oversight role within the framework specified in the law.

The Investment Board submits to SSC Board on a monthly basis minutes of its meetings that include its resolutions and all the deliberations of its members. These minutes shall be included in the agendas of the Board. The Fund also submits a monthly report detailing the actions taken by the Fund to execute the SSC Board's resolutions related to the Fund.

• Oversight of the Fund activities:

The Fund's activities are overseen and SSC Board of Directors and the Investment Board in accordance with the Social Security Law No. 1 of 2014 and the Social Security Investment Fund and Investment Board Bylaw No. 97 of 2014, and the legislation issued pursuant thereto, in addition to a number of internal and external audit parties in accordance with legislation in force.



Oversight by Social Security Corporation Board of Directors:

The Social Security Law defines the duties and powers of the SSC Board of Directors related to investment. The SSC Board exercises direct oversight on the Fund's activities, it is informed on a monthly basis of all the Fund's decisions and minutes of meetings, and it receives on a monthly basis the follow-up report on the Fund's actions to implement SSC Board decisions related to investment.

In addition, there are three committees that emanating from SSC Board to oversee the Fund's activities, which are the Audit Committee, the Investment Governance Committee, and the Investment Risks Committee. The duties of these committees are defined by the provisions of the Social Security Law in force and related resolutions of the SSC Board of Directors. These committees oversee both sides: SSC and the Fund.

Legislation regulating work:

The Fund's work is governed by the Social Security Law in force, the Social Security Investment Fund and Investment Board Bylaw, the Financial Bylaw of the Social Security Corporation, the Procurement Bylaw of the Social Security Corporation, the Works Bylaw of the Social Security Corporation, the Civil Service Bylaw and all the legislations in force in the Hashemite Kingdom of Jordan. The Legal Affairs Unit at the Fund participates in drafting these regulations, bylaws and polices that govern the Fund's work to ensure their soundness and that they do not conflict with other laws and bylaws in force.

Oversight by the SSIF Investment Board:

The Social Security Law defines the duties and powers of the Investment Board, which exercises direct supervision of the Fund's executive management.

There are also committees emanating from the Investment Board: The Audit Committee, Investment Governance Committee, and Investment Risk Committee. The duties of each one of these committees are defined by the provisions of the Social Security Investment Fund and Investment Board Bylaw, which is issued pursuant to the operative Social Security Law. And to strengthen the supervisory role of these committees, the Fund's executive management does not participate in any of the Investment Board committees.

Internal Audit:

There are a number of control parties at the Fund's that execute pre and post oversight of the Fund's activities to test the soundness of the measures implemented by the Fund based on the procedures.

These parties are; the Risk Management and Strategic Planning Directorate that submits monthly reports to the Investment Risks Committee, the Financial Control Directorate that prepares the financial performance reports and financial statements and submits them to the Investment Board, the Internal Audit Unit, that submits a monthly report to the Audit Committee, the Operations and Administrative Affairs Directorate that executes all financial operations and documentation, opens banks accounts, issues payment orders, and ensures implementation of the procedures in force and the availability of documents supporting the operations.

External Control:

The Fund's work is under oversight of the Audit Bureau that conducts post audit of the Fund's activities and participates as an observer in some the Fund's internal committees. Oversight is also exercised by the External Auditor that is appointed by SSC Board to audit SSC accounts of SSC and the Fund's insurance and investment. Additionally, the Fund submits quarterly reports on its activities, financial performance, and investments to SSC Board that in return, submits the report to the Council of Ministers and the Parliament.

Professional integrity:

The Fund is committed to the highest standards of integrity, transparency, and accountability and adheres to sound management practices, job discipline, efficiency and effectiveness in all its operations. The Fund is also committed to implementing a system of reporting violations in accordance with the relevant legislation.

Employees are required to sign a confidentiality document and periodic financial disclosure forms. In these forms, employees disclose their assets and any changes to these assets. Personnel in supervisory positions are also required to sign a non-conflict of interest form.

A. Code of Ethics and Professional Conduct in Public Service:

All Fund employees are committed to comply with the Code of Ethics and Professional Conduct in Public Service as stipulated in the Civil Service Bylaw. As part of the onboarding process, all employees are required to sign a document undertaking to comply with this Code.

The cornerstones of the Code of conduct are justice, equality of opportunity, transparency, accountability, impartiality, professionalism, patriotism, dedication to achieving the mission and goals of the Fund, and accepting responsibility.

The Code strives to combine ethical norms, basic rules and principles of public office ethics, and professional values and culture. It also aims to improve employee compliance and lay the groundwork for excellent practices and good governance. This will be accomplished by raising awareness among civil servants and orienting them toward strong work ethics and self-discipline frameworks that control the workflow in the civil service, and in accordance with the applicable rules and regulations. Furthermore, this Code of conduct seeks to outline civil workers' obligations and responsibilities, as well as their role in improving services and strengthening public sector credibility.

In addition, the Code aims to enhance citizens' and service recipients' trust in government institutions as well as public respect and appreciation for their role in providing the best services.

The Code serves as the guiding foundation for the Fund's activities in terms of managing them responsibly and motivating personal monitoring. It is also a commitment to always act correctly, refrain from violating duties, and make ethical and sound decisions that serve the Fund's goals and strategy.

B. Cooperation with national institutions:

The Fund joined the awareness campaign of the Integrity and Anti-Corruption Commission in 2022 as part of contributing in the national efforts that promote integrity. The Commission's infographics and videos were also re-posted on the Fund's official social media accounts.

In addition, the Fund directed its representatives on the companies' boards of directors to support that campaign.

C. Disclosure and conflict of interest prevention policy:

The Fund's Employees:

The Fund applies a policy to prevent conflicts of interest among its personnel, committee members and secretaries. This policy is consistent with the Code of Ethics and Professional Conduct in Public Service, which is issued pursuant to the provisions of the Civil Service Bylaw.

Employees also are required to sign a confidentiality agreement and submit financial disclosure forms regularly to disclose their assets and any change that occurs to these assets. Some supervisory positions also require signing a non-conflict of interest form.

Investment Board Members

In 2017, the Social Security Corporation’s (SSC) Board of Directors adopted a policy to prevent any conflicts of interest for members of the SSC Board of Directors and the Board of the Social Security Investment Fund. This policy aims to further strengthen Corporation's good governance system in both its insurance and investment components, so assisting SSC to realize its goals and meet its commitments to partners, subscribers and pensioners.

Upon appointment, every board member shall read, acknowledge and comply with this policy and sign the disclosure of conflict of interest form, which required disclosing any form of conflict of interest, actual or potential, or any issue that may be interpreted as a conflict of interest with the Corporation or the Fund.

The members are required to refrain from using their official powers to serve their personal or financial interests or those of their family members. Members shall also disclose their personal interests that may result in a potential conflict of interest, to refrain completely, directly or indirectly, from undertaking any preferential treatment for any person, and to disclose their assets and liabilities in kind and in cash.

Furthermore, all members of the Investment Board are obligated to disclose any existing or potential conflict of interest at the beginning of every Board meeting. The Board will then determine whether the disclosure constitutes a conflict of interest. If it does, the procedures specified in the policy will be implemented, which may include barring the member concerned from attending the discussion, participating in discussing the issue, or voting on it.

- ## Investment decision making mechanism

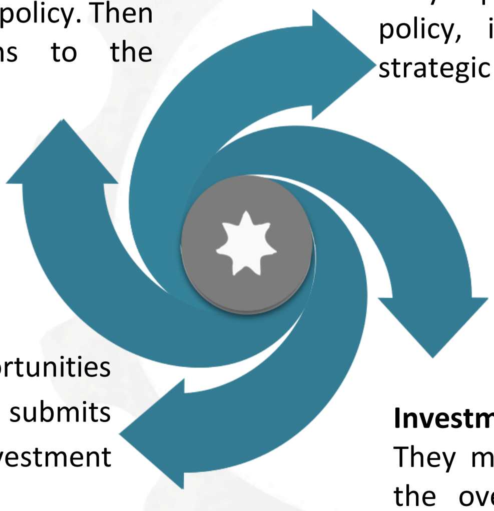
The Fund takes investment decisions based on professional and institutional considerations to achieve rewarding returns on its investments within acceptable risk levels, so as to preserve and augment the real value of assets. The Fund’s authority matrix defines the party that is authorized to take the decision and the scope of its powers.

Accordingly, the process of studying investment opportunities begins at the level of the investment directorates. They ensure the compatibility of the opportunities with the investment objectives. Based on the results of these studies, the directorates submit their recommendations to the Investment Committee that is chaired by the Fund’s CEO and four managers as well as the Directorate of Risk Management and Strategic Planning as an observer.

The Investment Committee deliberates on the results of these studies and makes investment decisions as authorized by the law. Alternatively, it submits its own recommendations to the Investment Board, which makes the decision as authorized by the law, and within the parameters of the Fund's investment strategy that is approved by the Board of Directors of the Social Security Corporation.

SSIF Directorate:
It studies investment opportunities to ensure their alignment with the investment objectives of the fund, and with its investment policy. Then it submits its recommendations to the investment committee.

Social Security Corporation Board of Directors:
They approve the Fund's investment policy, its investment plan, and the strategic distribution of the Fund's assets.

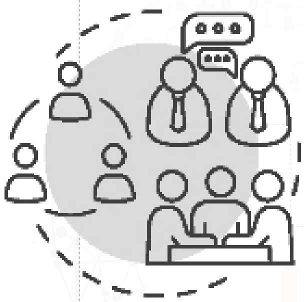


Investment Committee:
They study the investment opportunities presented by SSIF directorates and submits their recommendations to the investment board in this regard.

Investment Board:
They make investment decisions within the overall framework of the Fund's investment policy and investment plan.

Investment Committee meetings:

106 meetings



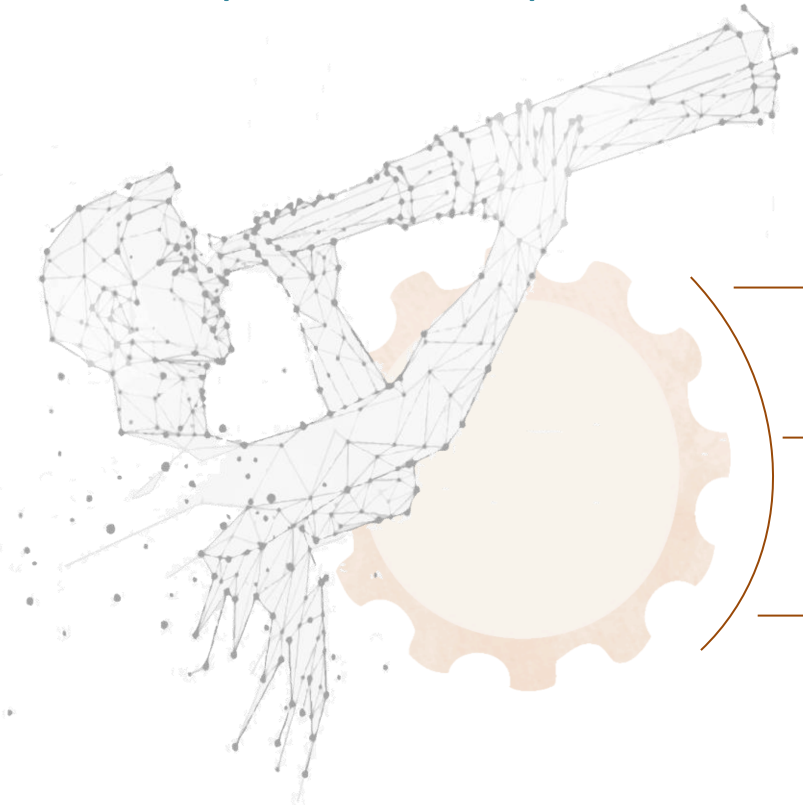
Committees of the SSIF Investment Board meetings:

30 meetings

Investment Board meetings:

12 meetings

- ## Representation on corporate boards



The Fund is a shareholder in 80 public and private shareholding companies operating in many vital sectors in the Kingdom.

Represented by 121 representatives those companies' boards of directors.

15% of these representatives are women

The Fund applies that its representatives on boards of directors comply with the standards of corporate governance and effective oversight controls due to their impact on the companies' financial performance and interests of all shareholders including the Social Security.

Mechanism for selecting representatives and evaluating their performance:

The Board of Directors of the Social Security Corporation enacted executive instructions to institutionalize the process of representation on corporate boards of directors in which social security invests. This was done to organize the process of selecting representatives, monitoring them, directing them, and evaluating their performance.

Based on these instructions, the Fund issued a corporate governance manual describes the framework for the company's board selecting and classifying candidates to represent the Social Security on corporate boards. The criteria include academic qualifications, technical knowledge and practical experience, especially in financial and administrative matters.

The manual also includes the duties and tasks of representatives, the mechanism of communication with the Fund, and the main items that must be included in the periodic reports which representatives submit to the Fund regarding issues that have a financial and legal impact on the company's business.

And to improve the efficiency of the representation process, the Fund periodically reviews and updates the manual based on developments in the legislation governing the representation process and any developments in relevant best practices and feedback from representatives.

Effective Communication:

Representatives are required to submit periodic reports to the Fund that include the key financial performance indicators of the company, the effectiveness of the internal audit system, the extent of compliance with corporate governance, the effectiveness of the company's executive management, and other matters that have financial and legal implications. This is done to ensure effective communication with the representatives and to protect the interests and rights of the Social Security Corporation .

Additionally, in order to ensure that communication is effective and two-way, the Fund meets with representatives on a regular basis to discuss the performance, accomplishments, and future plans of the companies.

The Fund requests for special reports from the representatives and meets with them urgently once any significant development happened to the company's operations nor plans, in order to guide them in a timely manner to address these emerging issues.

Capacity Building:

In order to further improve the knowledge and abilities of its representatives on companies' boards, the Fund regularly organizes specialized forums to keep participants up to date on legislative changes, local and global economic developments, as well as international experiences and best practices in corporate governance.

The Fifth Forum:

The Fund held the Fifth Forum entitled: "The Monetary Policy of the Central Bank of Jordan and its Effect on the Jordanian Economy and the Financial Positions of Companies". Experts from the Central Bank of Jordan (CBJ) focused on the main tenets of the CBJ's monetary policy and how they affect various economic sectors, as well as the steps CBJ has taken to maintain monetary stability in order to improve the environment for investments that promote economic growth, including those taken during the Corona pandemic .

Experts from the private sector highlighted the impact of monetary policy and rising interest rates on companies' financial positions and how the companies could pressure their resilience in times of crises.

The Sixth Forum:

The Fund held the Sixth Forum entitled "Social, Environmental, and Corporate Governance" in cooperation with the Jordan Institute of Directors (JIOD) and its strategic partner the International Finance Corporation (IFC), a member of the World Bank Group.

Experts from the IFC participated in dialogue sessions that highlighted the experience of international companies and best practices related to sustainable development and the trend towards a green economy. The discussions also focused on the impact of complying with the standards of corporate, social, and environmental governance on the financial and operational performance of companies, as well as the business environment and the economy in general.

The forum also discussed the strategic role of boards of directors in adopting sustainability standards and practices. The discussion focused on the impact of these standards and practices on companies' financial sustainability and competitiveness, as well as their role in embedding the values and practices of corporate governance and good management in these companies.

SSIF Investment Board

Pursuant to the provisions of Article 14, Paragraph A of the Social Security Law No.1 of 2014, there shall be formed at SSC board named the 'Social Security Investment Board', composed of the following members:

- SSIF CEO / Vice Chairperson
- SSC Director General - Member
- An Employees' Representative - Member
- An Employers' Representative - Member
- Five experts and specialists appointed by the Council of Ministers based on the recommendation of SSC Board. The Council of Ministers names one of them as part-time Chairperson of the Investment Board.

SSIF CEO /Vice Chairperson of the Investment Board is appointed by the Council of Ministers based on the recommendation of the Chairman of SSC Board

Duties of the Investment Board:

Article (14), Paragraph (B) of the Social Security Law No. (1) of 2014 defines the functions and powers of the Investment Board as follows:

1. Develop the overall SSIF investment policy and submit it to the SSC Board for approval.
2. Draw the overall investment plan of SSC funds and submit it to the SSC Board of Directors for approval.
3. Oversee the implementation of the investment policy, set the plans and programs needed for this, and follow-up on the policy implementation.
4. Make the necessary investment decisions for implementing the investment policy and overall plan in accordance with the provisions of the Social Security Law and regulations issued pursuant thereto.
5. Make recommendations to the SSC Board of Directors to ratify the SSIF's annual budget, detailing different areas of expenditure and the allocations for each one of them.
6. Submit periodic reports to the SSC Board of Directors on the SSIF's activities and performance.
7. Review the annual report on the SSIF's activities and related closing financial statements, and submit them to the SSC Board of Directors for approval.
8. Name the required committees for investment work in accordance with executive instructions.
9. Draft SSIF executive instructions to ensure realization of the SSC's objectives and submit them to the SSC Board of Directors.
10. Any other powers assigned or delegated by the SSC Board of Directors in accordance with the regulations and executive instructions issued pursuant to the provisions of the Social Security Law.

Members of the SSIF Investment Board:

Mr. Mazin M. Al Khatib

Chairman

H.E. Dr. Ezzeddin Kanakrieh
SSIF CEO[1] /Vice Chairman of the Board

Dr. Mohammad Al-Tarawneh
SSC Director General[2]/Member

Mr. Mamdouh Qaralleh
Representative of Employers[3]/ Member

Mr. Mazen Al Ma'aitah
Member/ Representative of Employees

Mr. "Shadi Ramzi" Al Majali
Member

Eng. Sahl Dudin
Member

Dr. Qais Mahafza
Member

Mr. Riyadh AlTaweel
Member

(1) - H.E. Dr. Ezzeddin Kanakrieh held the position of SSIF CEO as of November 10, 2022.
- Mrs. Kholoud Saqqaf held the position of SSIF CEO intil October 27, 2022.

(2) - Dr. Mohammad Al-Tarawneh was a member of the investment board as of November 13, 2022.
- Dr. Hazem Al-Rahahleh was a member of the investment board until November 2nd, 2022.

(3) - Mr. Mamdouh Qaralleh was a member of the investment board as of September 11, 2022.
- Mr. Mohammad Aljitan was a member of the investment board until September 11, 2022.

Investment Board meetings: The Board held 12 meetings.

Remunerations of the SSIF Investment Board:

Pursuant to the provisions of Article 14, Paragraph E of the Social Security Law No. 1 of 2014, members of the Investment Board shall receive a monthly remuneration of JD 500, disbursement of which is conditional on attending the Board's monthly meetings, except for the Chairman of the Investment Board whose remuneration is set by a resolution of the Council of Ministers based on the recommendation of the Chairman of the SSC Board of Directors.

Based on the foregoing, the monthly remunerations of the Chairman and members of the Investment Board were as follows :

Chairman of the Investment Board	Members of the Investment Board
Monthly remuneration of JD 3,500	Monthly remuneration of JD 500, disbursement of which is conditional on attending the Board's monthly meetings

Committees of the SSIF Investment Board

First, The Audit Committee:

- **Duties of the Audit Committee:**

1. Oversee the SSIF's financial and investment activities and audit its financial reports including its financial data before they are submitted to the Investment Board.
2. Review SSIF's internal and external auditor's reports, follow-up on action taken regarding these reports and submit its recommendations to the Investment Board.
3. Recommending to the Investment Board the annual internal audit plan for approval.
4. Ensure accuracy and soundness of accounting and auditing procedures.
5. Ensure SSIF's compliance with the laws, regulations, and instructions that govern its work.
6. Exercise other powers vested in it by means of executive instructions issued in accordance with the provisions of this regulation.
7. Any other tasks assigned to it by the Investment Board.

- **Members of the Audit Committee:**

Eng. Sahl Dudin	Chairman
Mr. "Shadi Ramzi" Al Majali	Member
Dr. Qais Mahafza	Member
Mr. Fadi Abu Ghoush/ Internal Audit Unit Manager	Committee's Secretary

- **Committee Meetings:**

- The committee held 12 meetings.
- The Chairman and members of the committee shall receive a monthly remuneration of JD 300, disbursement of which is linked to attending of the committee meetings.
- The Committee's Secretary shall receive a monthly remuneration of JD 200, disbursement of which is linked to attending the committee meetings.

Second, Investment Governance Committee:

- **Duties of the Investment Governance Committee:**

1. Recommending the investment governance policy to SSC Governance Committee of the SSC Board, and setting the principles and recommendations necessary to implement this policy.
2. Monitoring implementation of the code of conduct and reporting violations.
3. Ensure the existence of internal and external oversight and risk management systems, and the effectiveness and independence of these systems.
4. Ensure compliance by SSIF with the rules and standards of good governance adopted by the Board.
5. Ensure the existence of a clear governance structure and effective instruments and responsibilities for investment decision-making in terms of approvals, supervision of implementation, investment management and performance monitoring.
6. Ensure the existence of a system for investment decision-making that defines the ceilings and powers of the parties concerned with decision-making and their compliance with the decision-making system.
7. Recommend to the Investment Board the rules governing SSC's representation on the boards of directors of shareholding companies, including assessment criteria of people nominated to represent SSC
8. Ensure sound implementation of the rules and criteria set for SSC's representation on the boards of directors and managements of companies.
9. Ensure the independent custody of investment assets.
10. Ensure compliance by Investment Board members, SSIF staff and SSC's representatives on the companies' boards of directors with the conflict of interest policies in force and their commitment to disclose any form of conflict of interest, whether financial, commercial, functional, or professional.
11. Ensure compliance with the rules and standards of personal trading by SSIF staff.
12. Ensure compliance with the investment performance assessment and evaluation policy.
13. Ensure the existence of specific criteria for the qualifications and capabilities that must be met by SSIF staff.
14. Ensure the effectiveness of the investment reporting systems and their content.
15. Exercise other powers vested in it in accordance with executive instructions issued in accordance with this regulation.
16. Any other duties assigned to it by the Investment Board.

- **Investment Governance Committee Members:**

Dr. Mohammad Al-Tarawneh [4]	Chairman
Mr. Mazen Al Ma'aitah	Member
Dr. Qais Mahafzah	Member
Mr. Mohammad Madi/ Equity Support Directorate Manager	Committee's Secretary

(4) - Dr. Mohammad Al-Tarawneh held the position of investment governance committee chairman as of as of November 13, 2022.
- Dr. Hazem Al-Rahahleh held the position of investment governance committee chairman until November 2nd, 2022.

- **Committee Meetings:**

- The committee held 6 meetings.
- The Chairman and members of the committee receive a monthly remuneration of JD 300, disbursement of which is linked to attending the committee meetings.
- The Committee's Secretary receives a monthly remuneration of JD 200, disbursement of which is linked to attending the committee meetings.

Third, Investment Risks Committee:

- **Duties of the Investment Risks Committee:**

1. Ensure the soundness of methodologies followed in risk assessment, analysis and management and their accordance with international risk management standards.
2. Ensure the existence of sound periodic reports to assess and analyze investment risks related to investment portfolios and ensure the optimal implementation of risk management.
3. Monitor deviations from the risk management policy and recommend the necessary decisions regarding them.
4. Study and review the Risk Management Department's reports and submit the necessary recommendations regarding them.
5. Exercise any other authority vested in it under the provisions of this regulation, and the instructions issued pursuant thereto.
6. Any other duties assigned to it by the Investment Board.

- **Members of the Investment Risks Committee:**

Mr. "Shadi Ramzi" Al Majali	Chairman
Mr. Riyadh AlTaweel	Member
Mr. Mamdouh Qaralleh(5)	Member
Mr. Nidal Al Qubbaj/Risk Management and Strategic Planning Directorate Manager	Committee's Secretary

- **Committee Meetings:**

- The committee held 12 meetings .

- The Chairman and members of the committee receive a monthly remuneration of JD 300, disbursement of which is linked to attending the committee meetings .

- The Committee's Secretary receives a monthly remuneration of JD 200, disbursement of which is linked to attending the committee meetings.

(5) - Mr. Mamdouh Qaralleh was a member of the investment risks committee as of September 11, 2022.
- Mr. Mohammad Aljitan was a member of the investment risks committee until September 11, 2022.

Real Estate Portfolio Directorate:

The directorate manages the real estate owned by SSIF, including land, commercial complexes and others. It also studies new investment opportunities in the real estate sector.

- **Directorate Manager: Eng. Ahmad Malkawi.**

Equity Portfolio Directorate:

The directorate manages the Fund's investment in public and private shareholding companies and prepares analytical studies on the portfolio's performance and monitors it.

- **Directorate Manager: Mr. Arafat Alasad**

Treasury and Loans Directorate:

The directorate manages the Fund's cash surpluses through investment in money market instruments, treasury bonds, granting direct loans, and participating in syndicated loans. In addition, it follows up on the projects that are managed by Daman Financial Leasing Company (a company wholly owned by SSC).

- **Directorate Manager: Mrs. Ranya Alaraj**

Projects Finance and Tourism Portfolio Directorate:

The directorate studies new investment opportunities in all sectors and prepares feasibility studies, in addition, it manages and monitors the performance of the tourism portfolio that is managed by the National Company of Tourism Development (a company wholly owned by SSC).

- **Directorate Manager: Mr. Sameer Shahrour**

Equity Support Directorate:

The directorate follows up and evaluates the performance of the SSC representatives on the boards of directors of public and private shareholding companies in which the SSC is a shareholder. The directorate assesses their performance to ensure that they fulfil their duties completely through a comprehensive management, monitoring, and direction system to ensure effective representation in these companies, and to consolidate the principles of good governance.

- **Directorate Manager: Mr. Mohammad Madi**

IT Directorate:

The directorate automates the Fund's operations according to international standards to ensure efficiency. It manages systems and computer programs, databases, and their maintenance, in addition to managing the information security policies.

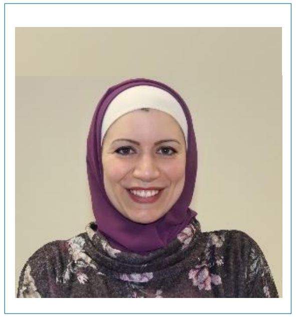
- **Directorate Manager: Eng. Falah Tbishat**

Risk Management and Strategic Planning Directorate:

The directorate prepares the Fund's strategic plan, identifies the investment and operational risks related to the Fund's activities and puts in place indicators to measure them. The directorate also assesses the performance of directorates and units based on the balanced scorecard, for the purpose of assessing the Fund's overall performance.

- **Directorate Manager: Mr. Nidal Qubbaj**

Financial Control Directorate:



The directorate prepares the Fund's financial statements in accordance with International Financial Reporting Standards, and prepares SSIF's annual budget. It also approves all financial transactions including disbursements and financial transfers, conducts settlements between accounts, and prepares different financial reports.

- **Directorate Acting Manager: Mrs. Manal Oreiqat**

Operations and Administrative Affairs Directorate:

The directorate executes all financial operations, keeps records, opens accounts, enters all financial movements, and follows-up on updating all special operations related to investment portfolios. It also manages the archive system and provides the necessary support services to facilitate the smooth running of the Fund’s operations, and manages procurement operations from providers. support services.

- **Directorate Manager: Mr. Dawoud.AlFaqeer.**

Business Development and Research Unit:

The unit looks for new investment opportunities in targeted sectors in line with the Fund's strategic plan. It also prepares periodic studies and reports on the principal economic and financial indicators and keeps abreast with best practices to import them to the Fund and benefit from them.

- **Unit Manager : Dr.Hamzeh Jaradat.**

Human Resources Directorate:

The directorate works to recruit and retain qualified human resources and raise their capacity and skills through an integrated training system, in addition to enhancing the Fund’s institutional performance by overseeing implementation of the different units and directorates’ plans, amending their work procedures, and applying best practices in line with the requirements of the King Abdullah II Award for Excellence in Government Performance and Transparency.

- **Acting Directorate Manager: Mrs. Shorouq ALSoud[6].**

Internal Audit:

The unit verifies the soundness of the Fund’s activities in an objective and independent manner, ensures compliance with the international financial reporting standards and the laws governing the Fund’s work as well as operative regulations and instructions and related decisions. The unit also audits the IT activities in accordance with international IT auditing standards.

- **Unit Manager: Fadi Abu ghoush.**

(6) - Mrs. Shorouq ALSoud held the position of Human Resources Acting Directorate Manager starting from February 3rd, 2022.
- Mr. Abdallah Abu Jamous held the position of Human Resources Directorate Manager until February 2nd, 2022.

Legal Affairs Unit:

The unit prepares the legislation that governs the Fund's work. It also prepares, reviews, and provides legal advice to the executive management. It also prepares and reviews contracts, agreements, MOUs, and reviews regulations that govern the Fund's work.

- **Unit Manager: Ms. Reem Abzakh**

Decision Making Support Unit:

The unit performs the functions of secretary-general of the Investment Board and Investment Committee. It also follows-up on the decisions and recommendations that it issues and coordinates between the Investment Board and the Social Security Corporation's Board of Directors.

- **Acting Unit Manager: Ms. Reem Abzakh**

Public Relations and Media Unit:

The unit works to consolidate the Fund's position as a national investor and highlight its investments and different activities by managing communication with partners and the public. It also manages the Fund's website and social media pages and manages the relationship with the media.

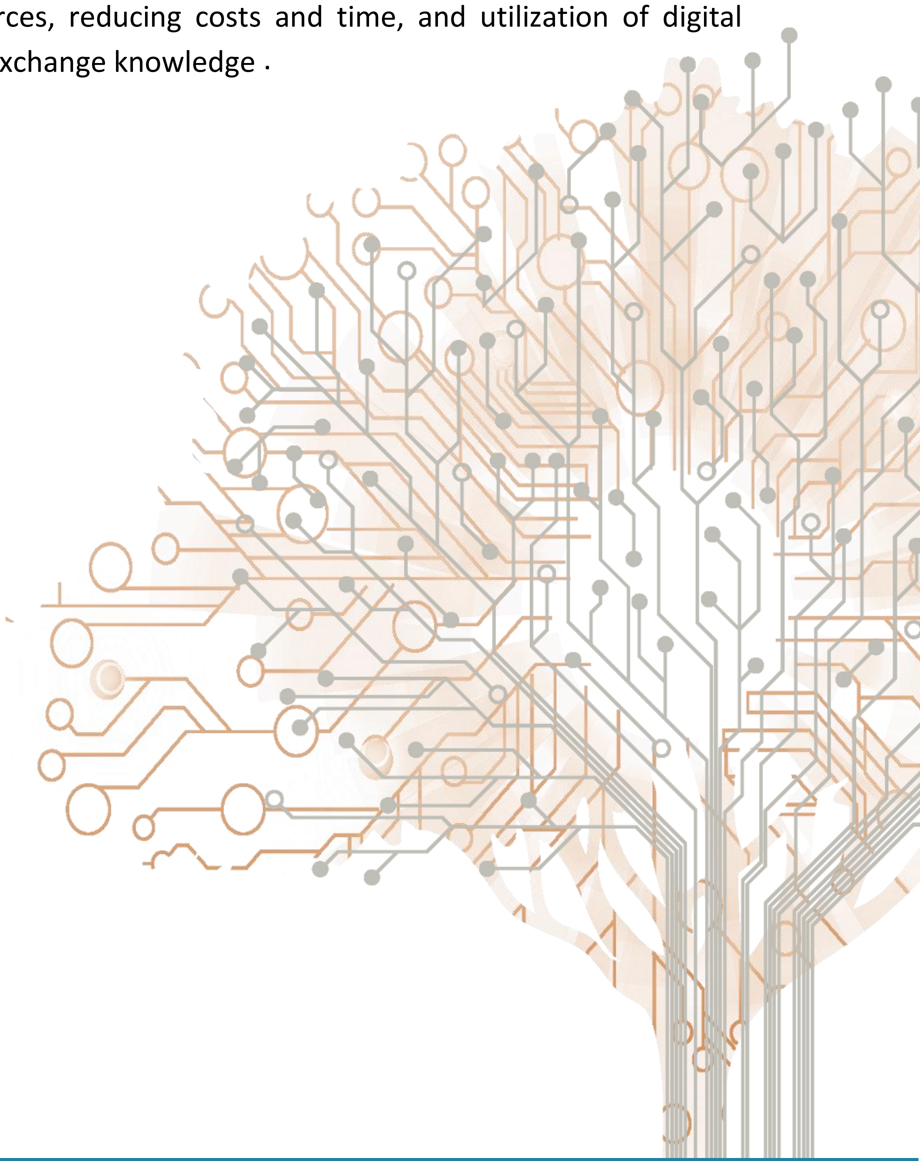
- **Acting Unit Manager: Ms. Amani Elkayed**

Digital Transformation

Jordan leveraged the COVID-19 pandemic crisis to accelerate the digitization of its economy and transition to a digital society. Today, Jordan has an advanced infrastructure that supports digital transformation. In this regard, the Fund has had a notable experience in digital transformation through the automation of its business processes. This has enhanced productivity, improved efficiency and competitiveness, and enabled the Fund to adapt to the rapid developments in the world of digital transformation. Digitization has also ensured business continuity in times of crises and emergencies without affecting essential operations. In addition to improving information management, data organization, and streamlined operational processes.

The Fund is currently implementing an integrated plan for e-transformation to develop systems and software for managing investment portfolios, managing risks, evaluating performance, and automating internal processes. In addition, the plan includes developing cybersecurity, upgrading data protection, and developing the technological infrastructure in accordance with international best practices for information and network security.

The digital transformation has helped the Fund to enhance sustainability in a number of ways, including the efficient use of resources, reducing costs and time, and utilization of digital technology to simplify business and exchange knowledge .



Risk Management and Business Continuity

• Risk management:

The Fund has set a risk management policy that aims to identify, measure, and manage the investment and operational risks associated with its objectives and activities. The Fund identifies these risks, assesses their potential impact, and develops action plans in order to achieve its targeted return on investment for each investment activity within acceptable risk levels and in accordance with the international best practices.

The Fund has also set a cybersecurity policy that identifies the preventive measures to protect the data and also the action to be taken if any accident takes place.

• Business continuity:

The Fund has a crisis management team that develops and implements a business continuity plan (BCP) to ensure the continuity of operations in the event of an emergency. The BCP is based on sound professional and prudent principles, including crisis identification and analysis, planning for crisis management, and efficient resource allocation to minimize the impact of a crisis on business continuity.

Sustanability

SSIF is committed to make strides toward sustainability through considering the UN Sustainable Development Goals (SDGs) and the Environmental, Social and Governance criteria (ESG) that might have impact on the Fund's performance and also through collaboration with strategic partners to conduct initiatives related to those areas.

Additionally, the fund issues annual sustainability reports summarizing its achievements in environmental, social and governance sustainability aspects. For more details, please click on the Sustainability Reports link.

SSIF Investment Policy

Investment Philosophy:

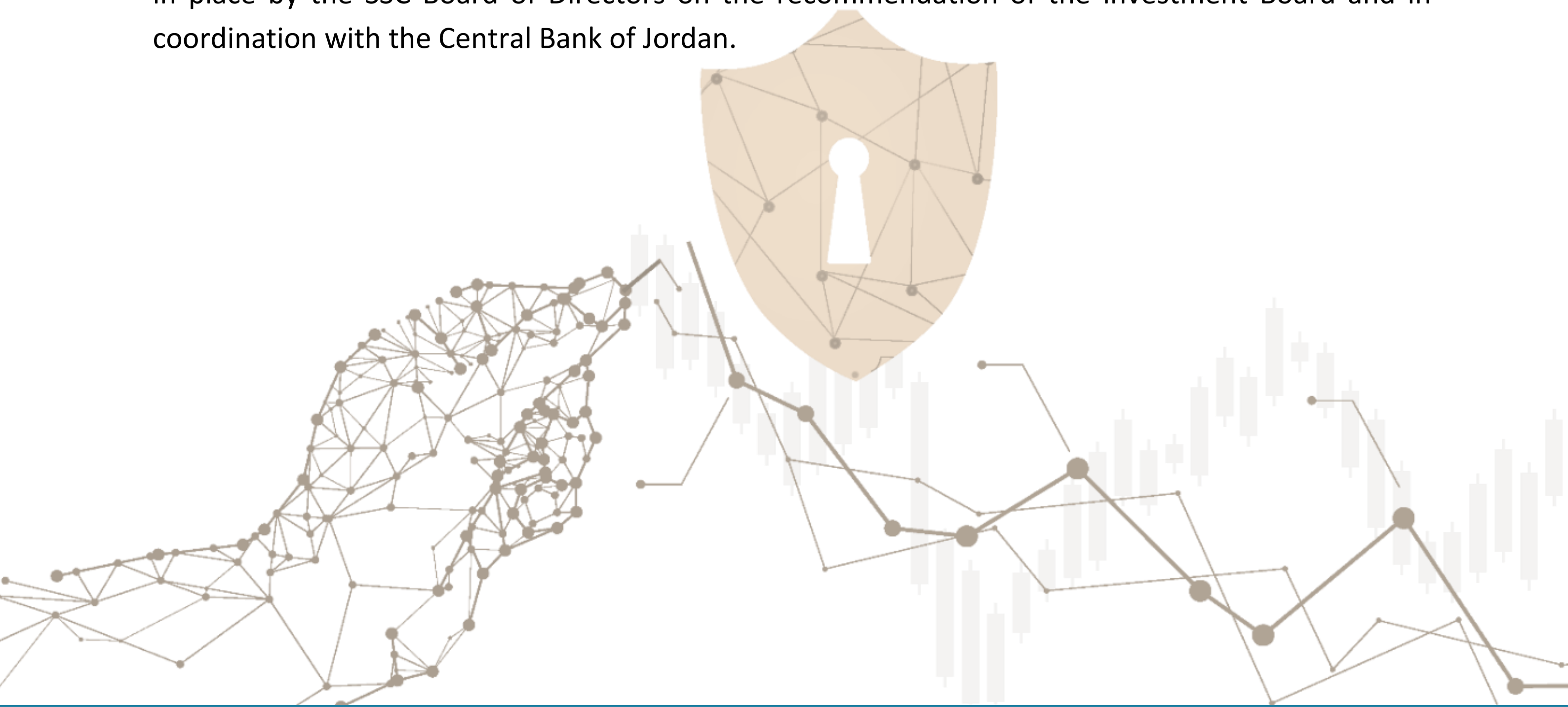
The SSIF investment philosophy is based on realizing the principal objective for establishing the Fund, which is to manage the Social Security Corporation's assets and investing them so as to achieve the highest possible returns within acceptable risk levels, based on the results of SSC's actuarial studies, the economic and financial indicators of the Jordanian economy, the strategic outlooks and the Fund's overall investment policy, which is approved by the SSC Board of Directors and supervised by the Social Security Investment Board.

The Fund works to mitigate investment risks by diversifying its investment portfolios and investment instruments based on the strategic asset allocation, taking into account the national perspective in drawing and implementing investment policy by investing in national mega projects with meaningful returns that contribute to economic growth and job creation.

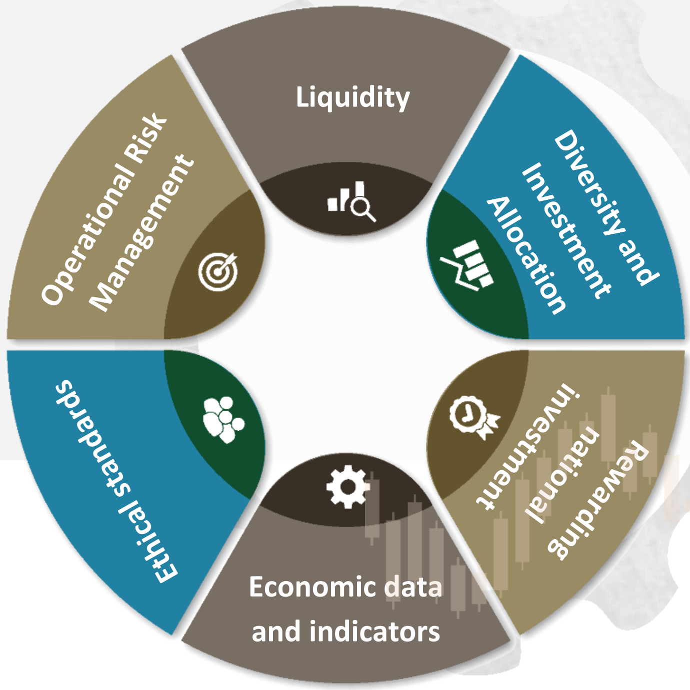
Investment Policy:

The Fund pursues an investment policy based on a set of objectives, mainly: achieving important returns on investment within acceptable levels of risk, maintaining and developing the real value of SSC assets, and providing liquidity to finance promising investment opportunities and any obligations that may arise in the future, and implementing the best international practices in pension fund management.

According to Article 9 – A of the Social Security Investment Fund and Investment Board Bylaw 97 of 2014, the SSC Board of Directors may, on the recommendation of the Investment Board, permit the Fund to invest abroad, subject to the approval of the Council of Ministers and based on controls put in place by the SSC Board of Directors on the recommendation of the Investment Board and in coordination with the Central Bank of Jordan.



Fundamentals of the Investment Policy



1. Liquidity: SSIF manages investments within variable liquidity levels and different maturity dates, to ensure the availability of the cash flow necessary to finance SSC's liabilities as soon as they become due according to the SSC's actuarial studies.

2. Diversity and Investment Allocation: SSC assets are invested in a variety of investment tools that include money market investment instruments, bonds, stocks (public, private, and mutual funds), loans (including financial leasing loans), real estate, and tourism, in order to reduce the correlation between the portfolio's assets, mitigate investment risks and maintain the true value of SSC assets. Attention must also be paid to geographical diversity (foreign investment) of these investments, if possible, after receiving the approval of the SSC Board of Directors on the recommendation of the Investment Board, and subject to approval by the Council of Ministers, as stipulated in the Social Security Investment Fund and the Investment Board Bylaw No. 97 of 2014.

3. Rewarding national investment: SSIF gives priority to national investments that achieve the targeted revenues within acceptable risk levels and which are consistent with its objectives.

4. Economic data and indicators: Investment decisions are based on domestic and international economic data and indicators. The SSIF avoids investing in instruments that are not consistent with economic reality and speculation

5. Operational Risk Management: The best procedures and rules are followed in implementing investment operations. Adequate oversight controls are put in place to ensure the safety of investments, separation of functions, and dealing through a custodian of high rating for investment tools that require appointment of a custodian.

6. Ethical standards: no investments are made in areas restricted domestically or internationally, or investments that are incompatible with the general ethical standards or that do not take into account the public interest.

Summary of the Strategic Plan 2022-2024

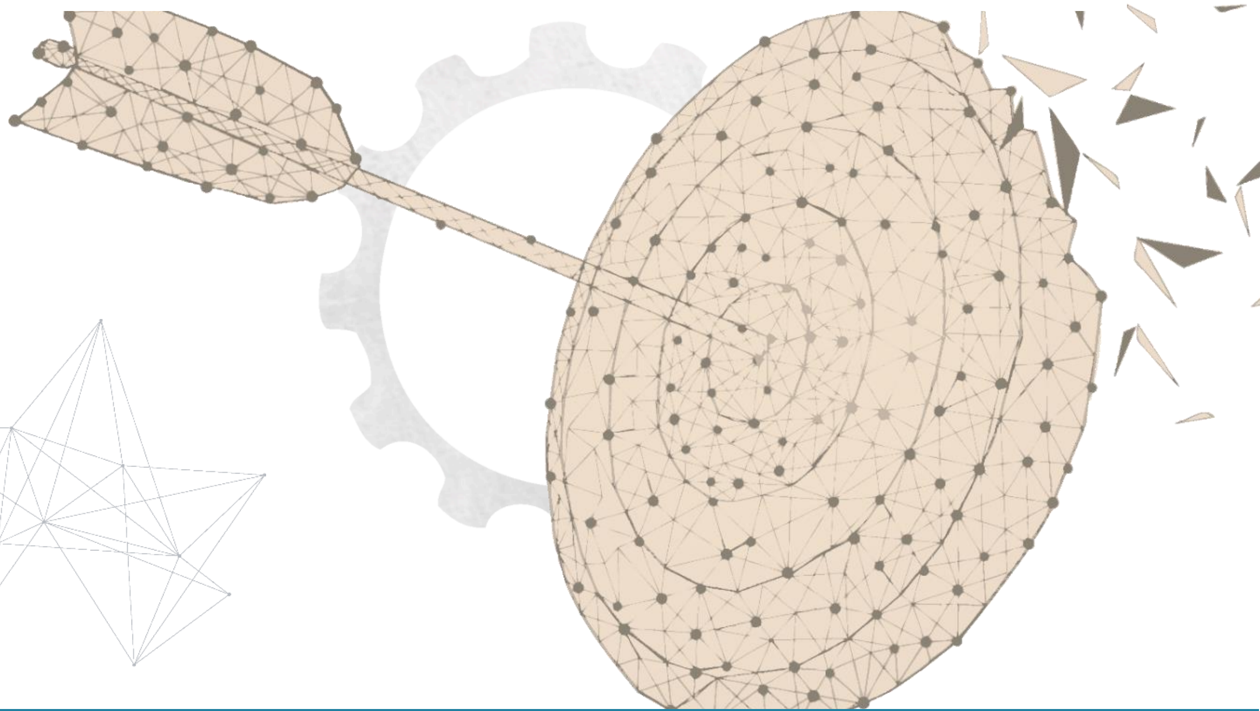
The Fund employs a strategic planning technique to coordinate efforts, invest SSC assets and attain strategic and national goals. The 2022–2024 Strategic Plan was endorsed in 2021 to enhance the Fund's function as a strategic financial investor. In accordance with the Fund's investment philosophy and within acceptable risk limits, the plan calls for investing in significant and lucrative projects in key industries that would boost the Jordanian economy and have a sustainable developmental impact.

For the first time, the Fund has adopted the Sustainable Development Goals (SDGs) and included them in its 2022-2024 strategic plan. By integrating the SDGs into its strategic plan, the Fund is committed to achieving its national goals and implementing the 2030 Agenda for Sustainable Development.

1. Goals of eradicating poverty and hunger. The Fund works to help achieve this goal by searching continuously for investment opportunities with meaningful returns and within acceptable risk levels. These investments would help create job opportunities, which would contribute to the development of society.

2. Goals of decent work, economic growth and gender equality. The investment Fund seeks to achieve this goal continuing its efforts to enhance workplace conditions, empower workers, achieve employment opportunities, and empower women.

3. Goals of clean energy, climate and wildlife. The Fund works to achieve this goal by using non-renewable energy sources as efficiently as possible, improving energy efficiency, requiring an analysis of the environmental impact of any project or investment opportunity it intends to pursue, working to automate its business, reducing its reliance on paper correspondence both internally and externally, and using electronic communications as much as possible.



National Objectives:

1. To provide retirement benefits and the services of the Social Security Corporation, and to cover the financial burdens of retirement benefits.
2. To encourage long-term investments.
3. Follow the best international standards related to performance and investment policies.

By developing the strategic plan 2022-2024, the Fund seeks to build on the achievements realized over the past years, and to enhance the institutional vision (investment to ensure the future of generations to come) within clear and measurable goals and a specific time frame and in line with the Fund's mission and core values. Institutional, environmental and social factors and standards were also taken into consideration in the Fund's internal activities and investments, in a systematic institutional manner. The fund adheres to these factors as it strives to achieve its national, strategic and operational goals.

Strategic Objectives:

1. Achieve important returns within acceptable risk levels to maximize the value and sustainability of the Social Security Corporation's investments.
2. Provide the necessary liquidity to cover the long-term financial obligations of the Social Security Corporation.
3. Consolidate the Investment Fund's image as a long-term national investor.
4. Observance of the standards of good governance and transparency of disclosure.
5. Provide a stimulating and supportive work environment for SSIF's activities.
6. Develop the Fund’s human resources.
7. Apply the best international standards and practices.
8. Help promote corporate social responsibility (CSR) in Jordan.

Summary of the National Economy's Performance in 2022

2022 was a year full of geopolitical and economic developments, most notably the Russo-Ukrainian war, which had a direct impact on markets. The war drove up the cost of basic staples like wheat and energy items. Additionally, the slowdown in supply chains and the increase in shipping costs, as well as the expansionary economic policies of many nations, particularly the United States and the eurozone had a direct impact on inflation rates in most countries, to varying degrees. Central banks all across the world increased interest rates to levels not seen in the preceding 20 years in an effort to curb inflation.

Since the national economy is very open, several of its macroeconomic indices were impacted by these developments. The key national economic indicators for 2022 will be discussed in the sections that follow. The GDP and unemployment rates are covered in the first part, price index changes and the inflation rate are covered in the second part, and fiscal and monetary policies are covered in the third and fourth parts respectively. The fifth component focuses on the major changes in the balance of payments, which depicts how the domestic economy interacts with the economies of other nations. The last section discusses changes to the Amman Stock Exchange and the Jordanian financial industry.

1. Gross domestic product (GDP) and unemployment:

GDP data for 2022 demonstrate that Jordan's economy witnessed positive growth at a rate of 2.5%, up from 2.2% in 2021. This was achieved despite the fact that growth slowed down in the last quarter of 2022. In the first three quarters of 2022, the national economy witnessed average growth of 2.7%, but in the fourth quarter, growth fell to 2%. Growth in the first three quarters of the year was driven by the recovery of the industrial and service sectors, the growth of phosphate and potash exports, and the resurgence of the tourism sector.

Despite being modest in comparison to other nations, the economic recovery that took place in 2021 and 2022 helped reduce unemployment rates from around 25% in the first quarter of 2021 to around 22.9% in the last quarter of 2022.Jordan however, has some of the highest unemployment rates in the world, particularly among female graduates of higher education.

2. Inflation rate:

Domestic inflation rates, calculated on the basis of relative change in the consumer price index, began to rise gradually since March 2022 due to the rise in global food and energy prices and the rise in freight and insurance costs. But they remained at relatively moderate levels compared to other countries. The average inflation rate in 2022 was around 4.23% compared to 1.35% in 2021.

The annualized calculation of the monthly inflation rates in 2022 reveals that they peaked in September, when they were around 5.4%. Then, during the final three months of the year, inflation rates started to steadily drop and reached 5.24% in October, 4.98% in November, and 4.36% in December.

It is worth noting that inflation rates fluctuated wildly during the previous few years. Due to the downturn in energy prices, the drop in overall spending, and the closures brought on by the Corona pandemic, price rates increased by 3.3% and 4.5% in 2017 and 2018 respectively, before decreasing to 0.8% in 2019, and 0.34% in 2020.

3. Fiscal policy and public debt:

• Fiscal policy

The government kept up its expansionary fiscal policy in 2022, as seen by a JD 608 million rise in overall spending over the previous year, of which JD 374 million went to capital investment and the rest to current expenditure. Nevertheless, the government was able to reduce the year's budget deficit (after grants) by roughly JD 178 million compared to 2021. This was made possible by the comparison period's growth in overall revenues of roughly JD 786 million. As a result, the government's general budget deficit (after grants) in 2022 was around JD 1.552 billion (4.6% of GDP) compared to a deficit of JD 1.730 billion (5.4% of GDP) in 2021. The deficit excluding foreign grants amounted around JD 2.345 billion in 2022 (7.0% of GDP) compared to JD 2.534 billion in 2021 (7.9% of GDP).

• Public debt

Government borrowing rose as a result of the government's general budget chronic deficits. During the last five years, total public debt increased by around JD 8.5 billion from JD 27.3 billion at the end of 2017 to approximately JD 35.8 billion at the end of 2021. During the last five years, total public debt increased by around JD 8.5 billion from around JD 27.3 billion at the end of 2017 around JD 35.8 billion at the end of 2021. In 2022, public debt increased by around JD 2.7 billion, to JD 38.5 billion. As a result, public debt as a percentage of GDP reached 114.2% at the end of 2022, compared to 111.7% at the end of 2021, and 92.3% of GDP at the end of 2017. Total public debt was divided into JD 21.6 billion in domestic debts and JD 16.9 billion in external debts at the end of 2022.

4. Monetary policy and the banking sector:

In 2022, the Central Bank of Jordan (CBJ) changed its monetary policy to adopt an expansionary monetary policy to boost economic activity for around two years before switching to a contractionary one, due to the Corona pandemic. CBJ gradually increased interest rates in an effort to keep inflation under control, maintain monetary and financial stability, and at the same time to maintain a comfortable margin of interest on the Jordanian Dinar against interest on the US Dollar, in order to raise the value of the Jordanian Dinar.

The banking sector indicators for 2022 show a mixed performance compared to those at the end of 2021. Cash in circulation decreased by 3 % at the end of 2022 compared to the end of 2021. Total deposits with licensed banks increased by 6.5% in 2022 compared to 2021. The increase in deposits came from an increase in deposits in Jordanian dinars by 7.0%, and an increase in deposits in foreign currencies by 4.8%. Total direct facilities granted by banks increased by 8.5% during 2022 compared to the end of 2021.

5. The external sector:

On comparing the performance of the current account on the balance of payments in 2022 to 2021, the external sector's performance is seen to decline. This was caused by the widening of the trade deficit, even though tourism revenue and the balance of services improved. The trade deficit increased by around JD 1.480 billion during 2022 to reach around JD 8.445 billion, from JD 6.965 billion in 2021. The trade balance was the result of an increase in exports by 32.3% and an increase in imports by 26.7%. As for the balance of services, which measures net exports and imports of services, 2022 saw a surplus of JD 1.616 billion compared to a surplus of JD 254 million in 2021. It is worth mentioning that the main reason for this was due to the increase in income from tourism during 2022 by around 110.5% over its level in 2021. As a result, the current account deficit increased by 11.9% during 2022 to reach around JD 2.953 billion compared to JD 2.639 billion dinars in 2021.

CBJ was able to maintain comfortable levels of foreign currency reserves in 2022 despite the negative performance of the current account. Foreign currency reserves reached roughly $17.3 billion at the end of 2022 compared to $18.0 billion at the end of 2021. As a result, the level of reserves' coverage of imports reached roughly 7.5 months at the end of 2022 compared to 7.6 months at the end of 2021.

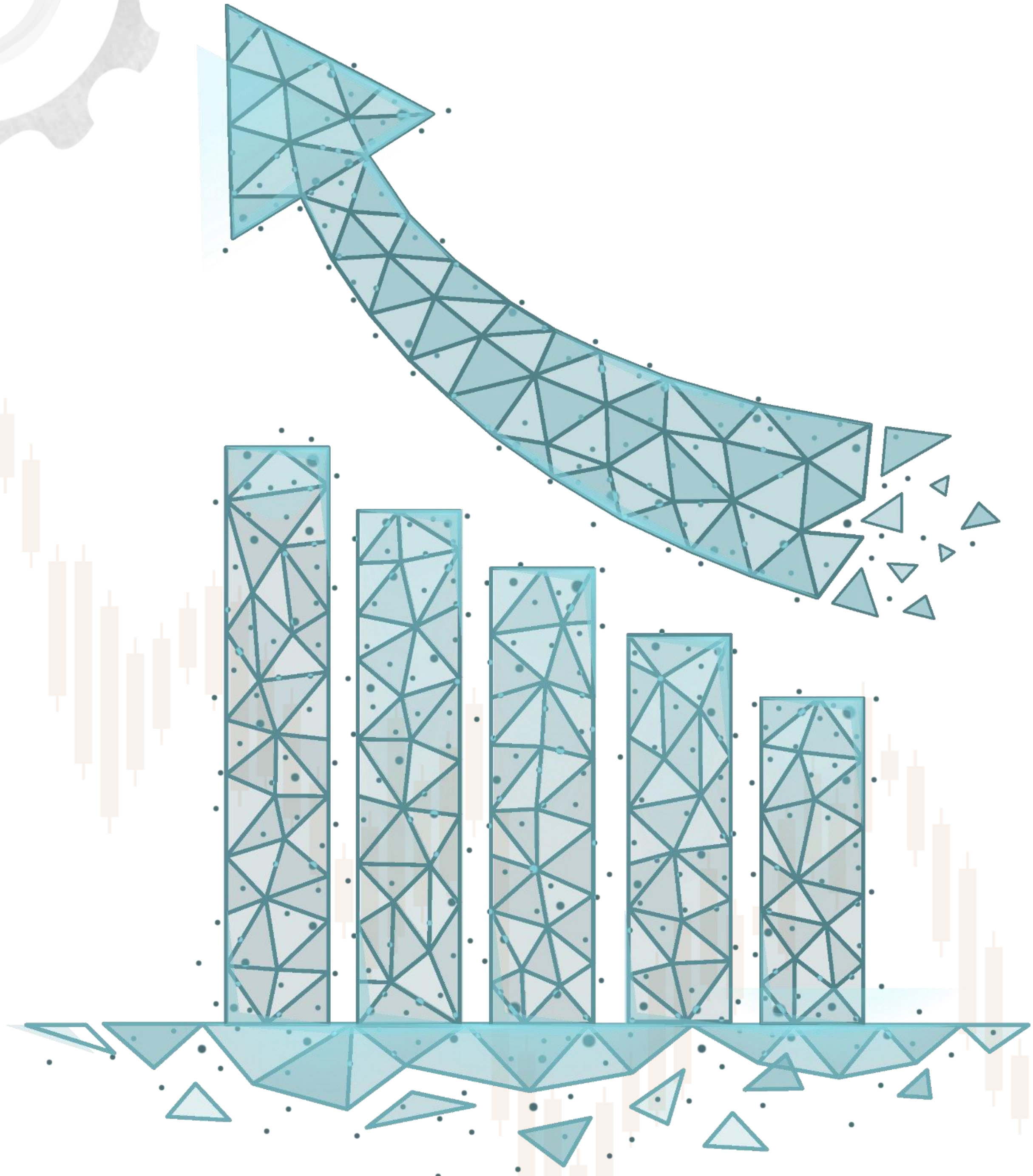
6. The Financial Market:

With the exception of the insurance sector, major economic sector indexes at the Amman Stock Exchange (ASE) kept rising in 2022. The general share price index weighted by the market value of the ASE increased by around 18.1% during 2022 compared to its level in 2021. The general index reached 2,501.6 points in 2022 compared to 2,118.7 points in 2021. This improvement came as a result of an increase in the industrial sector index by around 44.4%, the services sector index by around 31.1%, and the banking sector index by around 6.1%. The insurance sector index decreased by around 4.4% during 2022 compared to 2021.

Accordingly, the market value of shares listed on the ASE increased at the end of 2022 to around JD 18.0 billion compared to JD 15.5 billion at the end of 2021, an increase of 16.2%. Thus, the market value of shares listed on the ASE accounted for 53.4% of the GDP in 2022 compared to around 48.4% of the GDP in 2021.

It is worth noting that the slowdown in the national economy's growth had caused the performance of the ASE to decline during the years preceding the Corona pandemic. Data issued by the ASE indicated that the General Stock Exchange index decreased from 2,170.3 points in 2016 to 1,815.2 points in 2019 and 1,657.2 points in 2020. As a result, the market value of the companies listed on the ASE declined from around JD 17.3 billion, or 65% of GDP at the end of 2016 to around JD 12.9 billion, or 41.7% of GDP at the end of 2020.

Financial Performance of the SSIF in 2022



The Fund's Financial Performance in 2022

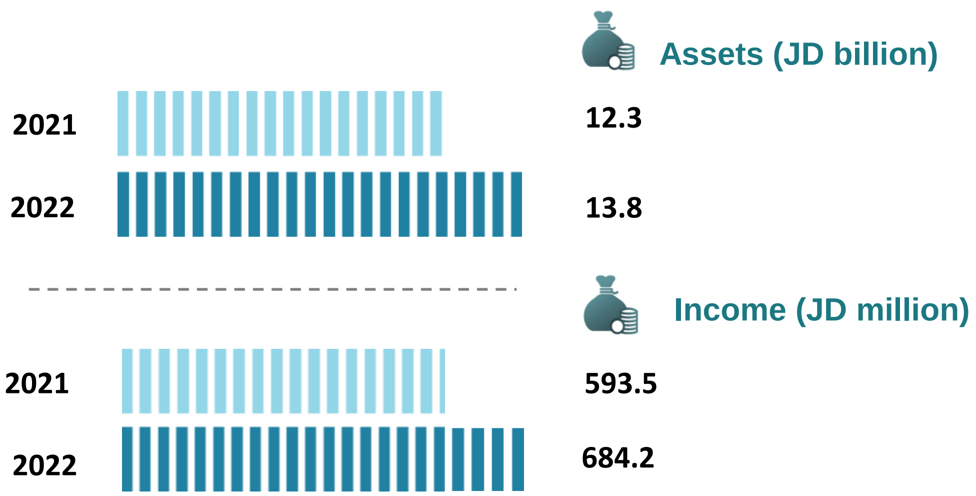
The Fund realized remarkable growth in returns in 2022. This was due to the expanded investments in financial instruments with high, stable returns and low associated risks such as treasury bonds, in addition to the investments in the real estate sector, which is considered to be both a promising and safe sector.

The national economy has also been recovering and that contributed to the improvement in many of the key economic indices. In particular, the equities portfolio witnesses tangible growth as a result of this recovery and the improved performance of the financial market.

The financial performance of the Fund is covered in this chapter of the report, which consists of four sections: The first summarizes the Fund's financial performance in 2022. The second examines the evolution of the Fund's total assets from the time it began operating in 2003 through the end of 2022. The third section changes in asset distribution over the previous five years (2018–2022). The fourth section the evolution of returns from investment portfolios over the same time period.

First: Summary of The Fund's financial performance 2022

In 2022, the Fund continued to realize positive outcomes. Comparing the end of 2022 to the end of 2021, total assets increased by 11.8 % to approximately JD 13,803.2 million. The Fund also increased its net income by 15.3% in 2022 from around JD 593.5 million in 2021 to around JD 684.2 million in 2022.



The positive economic and financial developments in the national economy during 2022 led to minor modifications in the distribution of the Fund's investment portfolios compared to 2021. Bonds, loans, real estate, and tourism portfolio shares all declined to varying degrees, while the shares of equity investment and money market instruments portfolios climbed as a percentage of total assets. The equity portfolio grew in its share of total assets from 16.8% at the end of 2021 to 18.1% at the end of 2022, mainly due to the increase in the share market value of the businesses in which the SSC invests, which resulted from the improvement in the ASE performance. The money market instruments portfolio increased its share of the Fund's total portfolios from around 12.8% to around 13.2%. Other portfolios decreased in their share of total assets. The ratio of the bonds portfolio decreased slightly from 56.7% at the end of 2021 to 55.7% at the end of 2022. The ratio of the loans portfolio to the Fund's total portfolios decreased to around 3.3% at the end of 2022 compared to around 3.4% at the end of 2021. Likewise, the percentage of the real estate portfolio to the Fund's total portfolios decreased to around 6% at the end of 2022 compared to around 6.2% at the end of 2021. Finally, the percentage of the tourism portfolio to the total portfolios decreased to around 2.3% at the end of 2022, compared to around 2.6% at the end of 2021.

The Fund prepares and reviews the strategic assets allocation regularly, in its effort to use its financial resources as effectively as possible, generate the highest possible returns within the lowest associated risks, and respond to current and future economic and financial developments. To accomplish this, the Fund sets its strategic plan for 2022-2024 and its appendix at the end of 2021, taking into account expected developments and trends in the national, regional, and global economies.

The Fund took into account environmental, social and institutional governance (ESG) and sustainable development goals (SDGs) as part of the objectives of its strategic plan 2022-2024, recognizing the significance of sustainability in its business and investments, and its impact on improving the Fund's financial performance and the Jordanian economy.

Second: The development of assets 2003-2022

The Fund's assets grew since its inception in the beginning of 2003 through the end of 2022, from around JD 1.6 billion to around JD 13.8 billion. With the exception of 2006 and 2008, assets grew throughout this period. The average growth rate for the period was around 12.7% annually.

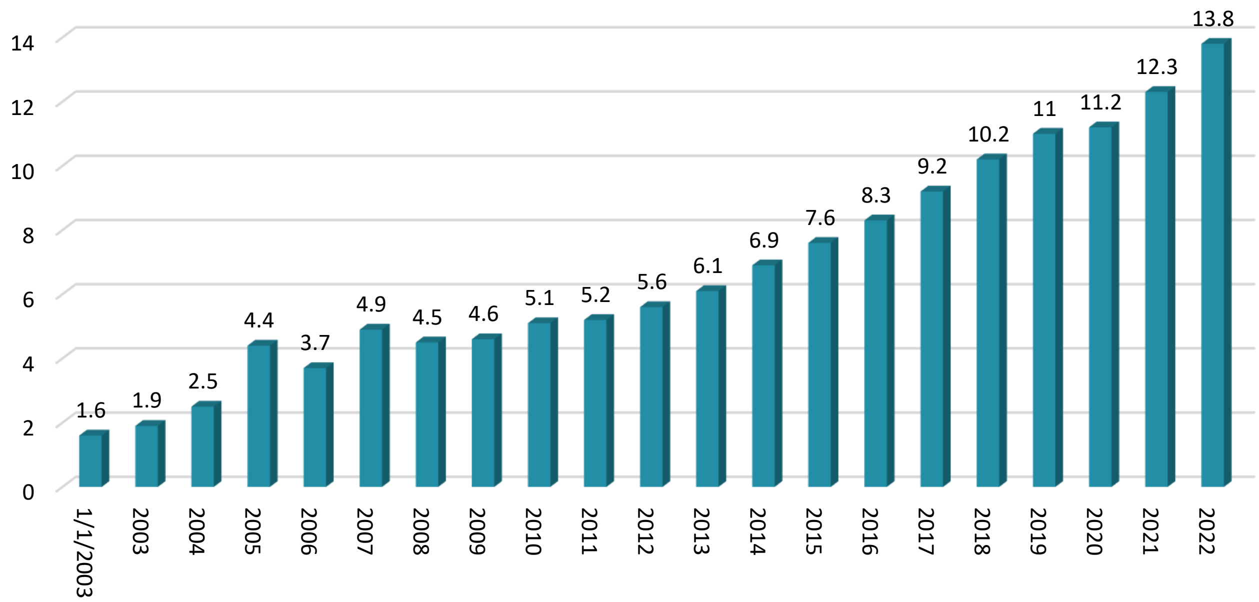
Pursuant to the best international practices for publishing the performance of pension funds, The Fund's assets were tracked over the last ten years, five years, and three years. The Fund's assets grew annually at rates of 9.5%, 8.4%, and 8% in the last ten, five, and three years respectively.

The Fund's total assets in 2022 increased by around JD 1.5 billion from its level at the end of 2021, a growth rate of 11.8% compared to a growth rate of 10.5% in 2021.

Total assets at the end of 2022 were around JD 13.8 billion compared to around JD 12.3 billion at the end of 2021. The performance of investment portfolios, particularly the bonds portfolio improved, which was the main cause of this increase. This grew because the Fund acquired to several new issues of treasury bonds, which are known for stability, high return, and low risks. Additionally, the equity portfolio expanded as a result of the growth in its market value brought on by the financial market's performance improvement. Also, the SSC's cash surpluses to the Fund increased during the year.

The graph below (Figure 1) shows the evolution of the Fund's assets from its founding at the beginning of 2003 to the end of 2022.

Figure 1: Development of the Fund's assets (2003-2022) (JD Billion)



Third: Distribution of assets 2018-2022

The Fund divides its assets among a number of investment portfolios in order to :

- Achieve meaningful and ongoing returns on the assets of SSC.
- Provide the necessary liquidity to meet SSC's future obligations .
- Contribute to the growth of the national economy by apply the highest international standards and best practices.

The Fund regularly revises its assets allocation, every three years, taking into account actuarial study findings as well as changes in the national, regional, and international economies and economic and financial trends.

The allocation changes over the past five years due to the slowdown in the growth of the national economy in recent years and the resulting lack of lucrative investment opportunities, most notably the shift towards fixed income instruments like bonds and money market instruments. The main reason for this was the stability of returns on these tools and their low risk in comparison to other investment tools.

Assets are distributed among several investment portfolios and diversification occurs at the level of each portfolio, according to scientific and professional methods, the international best practices of comparable investment institutions, and the Fund's general investment policy and strategic plan.

The Fund has six main investment portfolios, namely:

1. Money Market Instruments
2. Bonds
3. Loans
4. Equity
5. Real Estate Investments
6. Tourism Investments

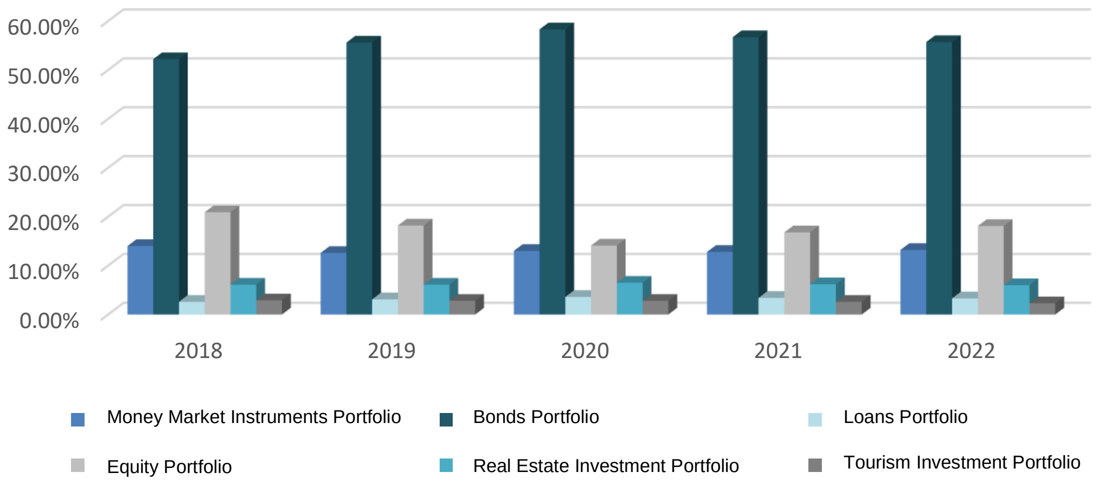
The table below (Table 1) shows the comparative distribution of investment portfolios and their development during the past five years (2018-2022) (JD Million), while the chart that follows (Table 2) shows the relative distribution of investment portfolios as a ratio of total assets annually for the same period under consideration.

Table 1: Comparative distribution of investment portfolios 2018-2022 (JD Million)

Item	2018	2019	2020	2021	2022
Money Market Instruments Portfolio	1,374.7	1,353.2	1,434.0	1,558.4	1,808.6
Bonds Portfolio	5,135.4	5,970.0	6,410.3	6,893.6	7,645.4
Loans Portfolio	252.8	330.9	396.5	412.1	447.9
Equity Investment Portfolio	2,053.4	1,950.3	1,555.2	2,040.8	2,479.9
Real Estate Portfolio	598.4	659.0	716.9	748.2	817.3
Tourism Portfolio *	286.6	297.9	308.1	314.3	317.7
Equity Investment Portfolio	489.4	435.5	346.7	373.8	286.5
Fund's Total Assets	**10,190.7**	**10,997.0**	**11,167.7**	**12,341.2**	**13,803.2**

*Includes the Solar Energy Project

Figure 2: Relative distribution of investment portfolios 2018-2022 (%)



The distribution of these investment portfolios went through several changes based on changes on SSIF's strategic plan which is reviewed every three years. The following is a brief analysis of the most important developments that occurred at the level of each portfolio during the past five years.

1. Money Market Instruments Portfolio:

Money market instruments are characterized by stable rates of return and low risks. For this reason, and given the scarcity of rewarding investment opportunities in the national economy, especially in light of the slowdown in the economy's growth in recent years, the money market instruments portfolio maintained constant ratio out of the Fund's total assets throughout the period 2018-2022, with the exception of a slight decrease in 2019 and 2021 compared to 2018.

The ratio of the money market instruments portfolio out of the Fund's total portfolios increased at the end of 2022 grew to around 13.2% compared to around 12.8% at the end of 2021, 12.6% at the end of 2019, and around 14% at the end of 2018. The total value of this portfolio increased during this period to around JD 1,808.6 million at the end of 2022, compared to around JD 1,558.4 million at the end of 2021 and around JD 1,374.7 million at the end of 2018.

The money market instruments portfolio consists of two instruments: current deposits and term deposits, all of which are in local banks. Time deposits constituted on average 99.9% during the past five years, while the remainder were current accounts to cover periodic operating expenses.

2. Bonds Portfolio:

The Fund's bonds portfolio consists of three instruments: treasury bonds, public institutions bonds and corporate loan bonds. During the last five years, treasury bonds accounted for approximately 97.3 %, while corporate loan bonds accounted for 2% and public institutions bonds accounted for only 0.7%. The reason for investing in treasury bonds is their stable rates of return and low risks, especially in light of the scarcity of rewarding investment opportunities in the national economy as a result of the recent slowdown in economic growth.

Consequently, the bonds portfolio’s total value increased from year to year from 2018 to 2022 to around JD 7,645.4 million at the end of 2022, compared to around JD 6,893.6 million at the end of 2021 and around 5,135.4 million at the end of 2018.

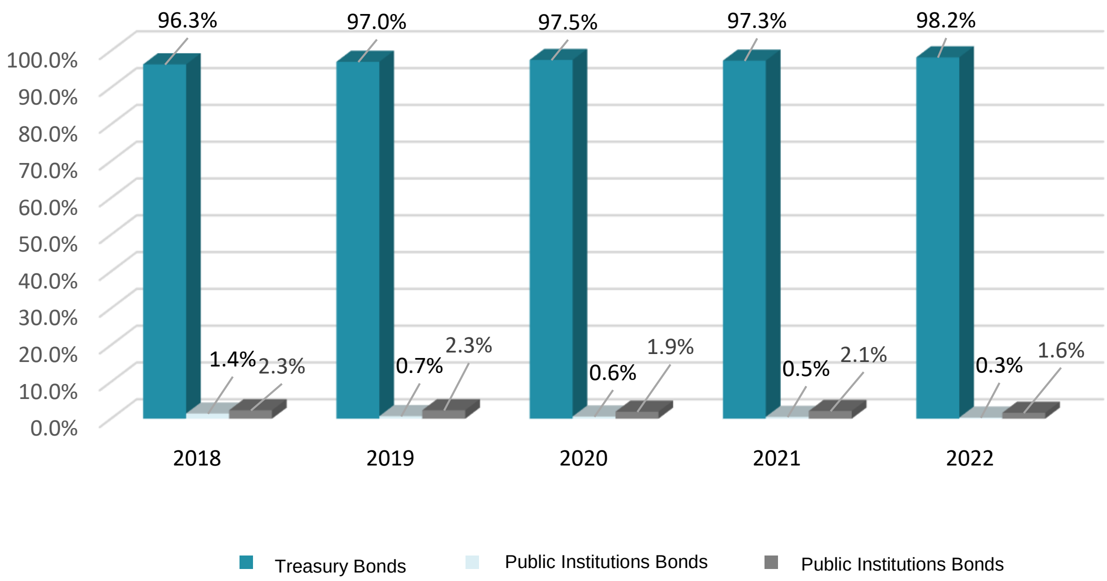
Despite the increase in the total value of this portfolio during the last five years, its percentage of the total investment portfolios went through changes during that period. It reached around 55.7% at the end of 2022, compared to around 56.7% at the end of 2021, around 58.3% at the end of 2020, and around 52.2% in 2018. This resulted from a review of the strategic distribution of the Fund's portfolios, in addition to increasing the ratio of the equity portfolio at the expense of the bonds portfolio’s share in recent years.

Table 2 below shows the development of the bonds portfolio and its components during the period 2018-2022. The chart that follows shows the relative distribution of the bonds portfolio’s components during the same period.

Table 2: Distribution of the bonds portfolio 2018-2022 (JD Million)

Item	2018	2019	2020	2021	2022
Treasury Bonds	4,943.8	5,793.4	6,249.3	6,709.7	7,504.90
Public Institutions Bonds	73.2	40.6	40.6	36.6	21.60
Corporate Loan Bonds	118.4	135.9	120.4	147.3	118.90
Total	**5,135.4**	**5,970.0**	**6,410.3**	**6,893.6**	**7,645.40**

Figure 3: Percentage distribution of the bonds portfolio 2018-2022 (%)



3. Loans Portfolio:

The loans portfolio increased gradually during the past five years (2018-2022) to JD 447.9 million at the end of 2022, compared to JD 412.1 million at the end of 2021 and around JD 252.8 million at the end of 2018. The percentage of the loans portfolio out of the Fund's total portfolios also increased from around 2.6% at the end of 2018 to around 3.3% at the end of 2022.

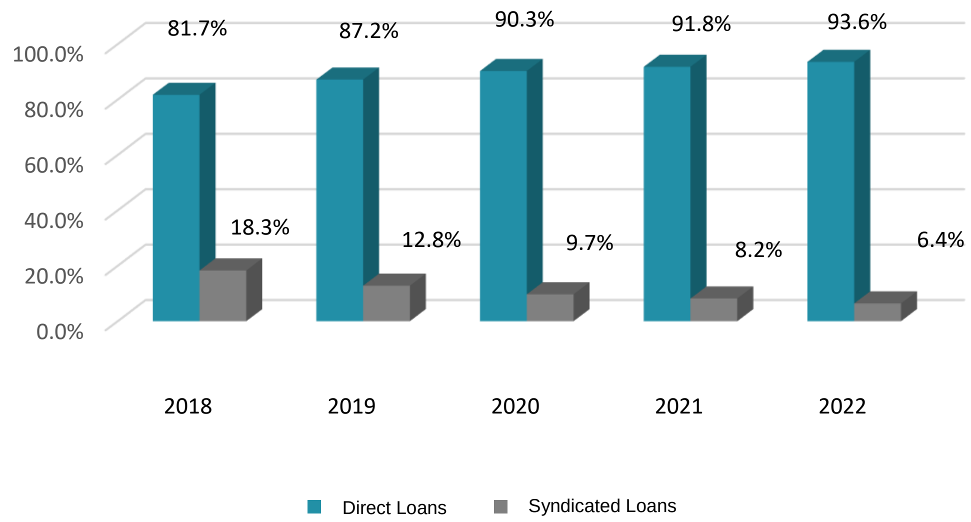
The loans portfolio consists of two main tools: direct loans and syndicated loans. Direct loans accounted on average for 88.9% of the total loans portfolio in the past five years, while syndication loans accounted for an average of 11.1% during the same period. It is worth noting that direct loans are loans granted mainly through Daman Financial Leasing Company to public institutions, government departments and government-owned companies. These loans are fully guaranteed loans, whether by the government or public institutions.

Table 3 below shows the total loans portfolio and its components for the period 2018-2022. The graph that follows shows the relative distribution of the loans portfolio components for the same period.

Table 3: Distribution of the loans portfolio 2018-2022 (JD Million)

Item	2018	2019	2020	2021	2022
Direct Loans	206.6	288.6	358.0	378.4	419
Syndicated Loans	46.2	42.3	38.5	33.8	28.8
Total	**252.8**	**330.9**	**396.5**	**412.2**	**447.9**

Figure 4: Distribution of the loans portfolio 2018-2022 (%)

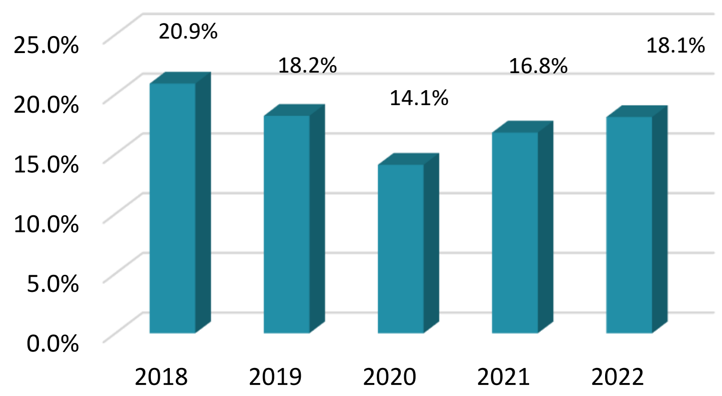


4. Equity Portfolio:

The equity portfolio's market value changed substantially during the past five years (2018-2022). At the end of 2022, the portfolio's market value increased by around JD 439 million, to around JD 2,479.9 million compared to around JD 2,040.8 million at the end of 2021, an increase of 21.5%. This growth resulted mainly from the recovery of the national economy as well as the improvement in the performance of companies and the financial market. The recovery came after a series of successive retreats in the market value of this portfolio, especially in 2020 due to the slowdown in the performance of the national economy and its growth at modest rates during the years preceding the Corona pandemic, the poor performance of the financial market and the effects on the national economy of the pandemic in 2020.

As a result of the improvement in the equity portfolio's market value, its percentage of the total investment portfolios increased to around 18.1% at the end of 2022 compared to around 16.8% at the end of 2021 and around 14.1% at the end of 2020. The chart below shows the development of the relative distribution of the equity portfolio of the Fund's total portfolios during the years 2018-2022.

Figure 5: Percentage distribution of the equity portfolio out of the total portfolios 2018-2022 (%)



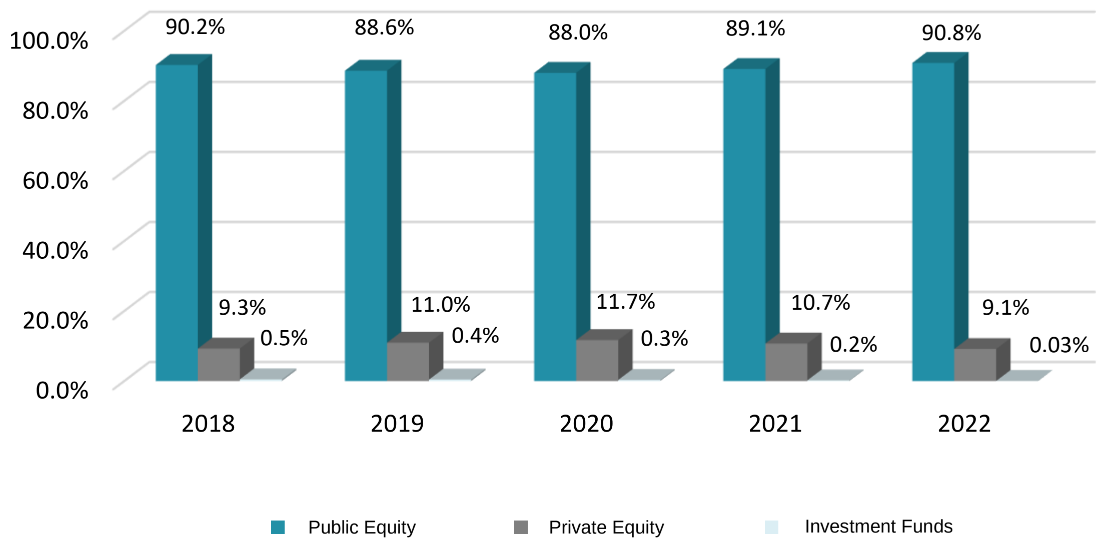
The equity portfolio consists of three sub-portfolios: public equity, private equity, and investment funds. Public equity constituted on average 90.8% of the total equity portfolio in 2018-2022, followed by private equity which constituted 9.1% during the same period. Investment funds accounted for 0.03% for the same period.

Table 4 below shows the total equity portfolio and its components during the period 2018-2022. The chart that follows shows the development of the relative distribution of this portfolio during the same period.

Table 4: Distribution of the total equity portfolio 2018-2022 (JD Million)

Item	2018	2019	2020	2021	2022
Public Equity	1,853.0	1,728.3	1,368.6	1,818.4	2,252.3
Private Equity	190.3	213.7	181.9	218.6	226.8
Investment Funds	10.0	8.3	4.7	3.8	0.8
Total	**2,053.3**	**1,950.3**	**1,555.2**	**2,040.8**	**2,479.8**

Figure 6: Percentage distribution of the total equity portfolio and its components 2018-2022 (%)



5. Real Estate Investments Portfolio:

Real estate is one of the most secure and stable investments. Real estate investments' primary goal is to increase the market value of these properties over time, and it is regarded as one of the most important means of hedging against inflation risks, in addition to providing stable cash flows from leased properties. The Fund therefore has been keen to increase its portfolios over years.

Tracking the total value of the real estate portfolio during the past five years (2018-2022) shows that it increased from year to year. The portfolio increased from around JD 598.4 million at the end of 2018 to around JD 817.3 million at the end of 2022, a growth of JD 218.9 million, representing 36.6%, and at an average growth rate of around 7.1% annually.

Despite the increase in the total portfolio during these years, its share of the total assets decreased in 2022 and 2021 compared to the level it had reached in 2020. It decreased from around 6.5% in 2020 to 6.2% in 2021 and 6.0% in 2022 due to the growth of assets at rates that exceeded the portfolio growth.

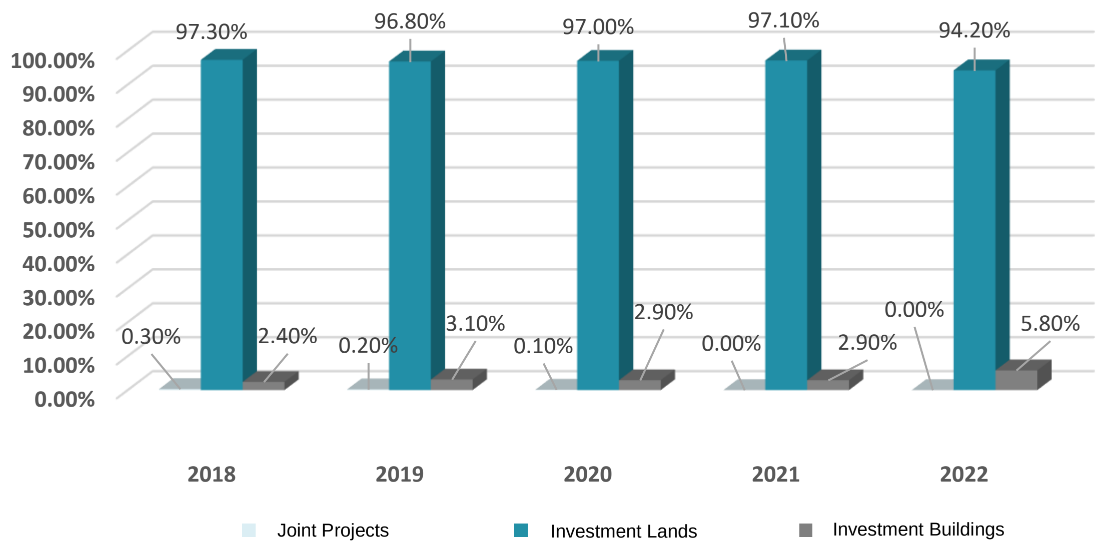
Investments in this portfolio are divided to lands and buildings, in addition to a small portfolio of joint real estate projects with specialized partners, which constitutes a marginal share of the total portfolio. Investment in lands constitutes the largest share of this portfolio at around 96.5% on average during the period 2018-2022, followed by investment in buildings at 3.4%. In addition, diversification takes place within each portfolio and at the level of governorates and classification of real estate.

Table 5 below shows the total real estate portfolio in millions of dinars and its most important components in the period 2018-2022. The figure that follows shows a graph of the relative distribution of the real estate portfolio during the same period.

Table 5: Distribution of the real estate portfolio 2018-2022 (JD Million)

Item	2018	2019	2020	2021	2022
Joint Real Estate Projects	2.0	1.0	1.0	0.0	0.0
Investment Lands	582.0	637.8	695.3	726.7	770.1
Investment Buildings	14.3	20.2	20.5	21.4	47.2
Total	**598.3**	**659.0**	**716.9**	**748.1**	**817.3**

Figure 7: Percentage distribution of the real estate portfolio 2018-2022 (%)



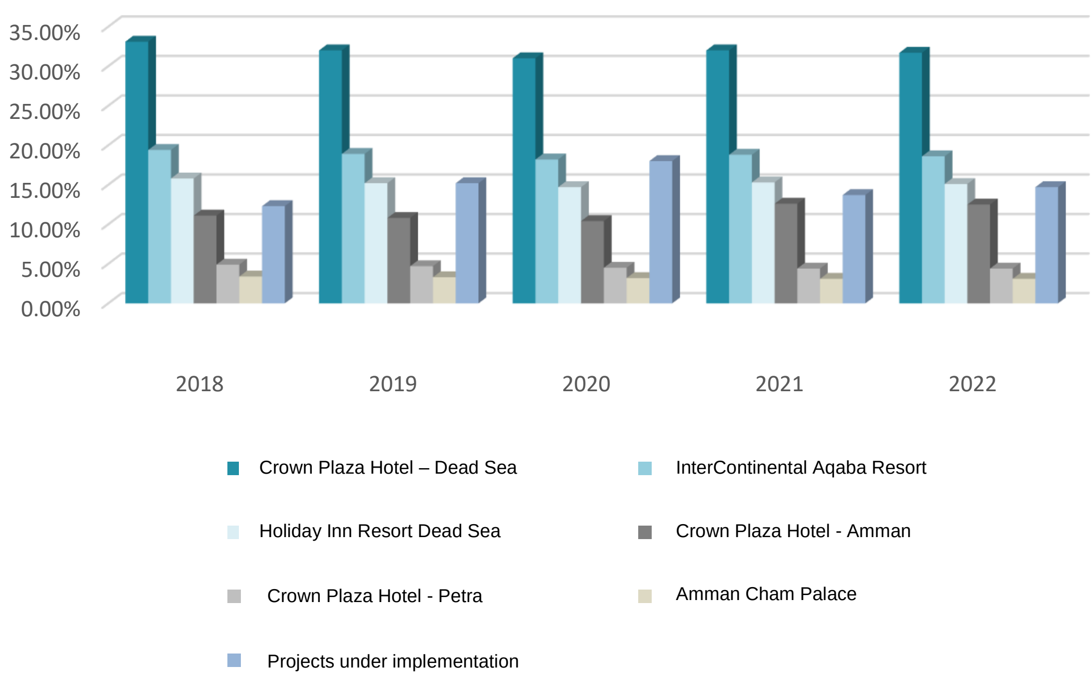
6. Tourism Portfolio:

The Fund owns direct and indirect investments in the tourism sector in different regions of the Kingdom. The tourism portfolio consists mainly of investments in a number of five-star hotels distributed geographically between Amman, the Dead Sea and Aqaba. The total value of this portfolio increased continuously during the period 2018-2022, mainly as a result of new projects in this sector. It increased from around JD 286.6 million at the end of 2018 to around JD 317.7 million at the end of 2022, an increase of approximately 11%. The portfolio's share of the Fund's total portfolios, however, decreased slightly during these years from around 2.9% at the end of 2018 to around 2.3% at the end of 2022 due to the growth in assets at rates higher than the growth of this portfolio. Table 6 below shows the total tourism portfolio and its main components in the period 2018-2022. Figure 8 shows the relative distribution of the components of the tourism portfolio out of the total of this portfolio in the same period.

Table 6: Distribution of the tourism portfolio 2018-2022 (JD Million)

Item	2018	2019	2020	2021	2022
Crown Plaza Hotel – Dead Sea	94.9	95.5	95.5	100.6	100.6
InterContinental Aqaba Resort	55.7	56.2	56.2	58.9	58.9
Holiday Inn Resort Dead Sea	45.2	45.2	45.2	48.1	48.1
Crown Plaza Hotel - Amman	31.8	32.2	32.2	39.7	39.7
Crown Plaza Hotel - Petra	13.9	13.9	13.9	14.0	14
Amman Cham Palace	9.7	9.8	9.8	9.8	9.8
Projects under implementation	35.3	45.2	55.3	43.2	46.6
Total	**286.5**	**297.9**	**308.1**	**314.3**	**317.7**

Figure 8: Percentage distribution of the tourism portfolio 2018-2022 (%)



Fourth: Investment returns for the period 2018-2022

The Fund was able to increase the returns on its investments during the past five years at a growth rate of around 57.8% compared to 2018. Net income from the Fund's investment portfolios increased from around JD 433.6 million in 2018 to around JD 684.2 million in 2022, at an annual growth rate around 14.4% annually.

As for the growth of investment returns in 2022 compared to 2021, net income increased by JD 90.7 million, or by 15.3% compared to its level in 2021, to around JD 684.2 million at the end of 2022, compared to around JD 593.5 million at the end of 2021. This was due to higher returns of most investment portfolios, especially the real estate portfolio, the equity portfolio, and the bonds portfolio. Returns of the real estate portfolio increased by approximately JD 29.8 million, or by 188.6% in 2022, to around JD 45.6 million compared to JD 15.8 million in 2021. Returns of the equity portfolio increased by JD 29.5 million, or by around 32% during 2022, to around JD 121.9 million compared to JD 92.4 million in 2021. Returns on the bond's portfolio increased by JD 28.4 million or by around 7.1% during 2022, to JD 431.2 million compared to JD 402.8 million.

Table 7 below shows the investment returns achieved on the Fund's various portfolios and administrative expenses for the period 2018-2022.

Table 7: Portfolio revenues and expenditures 2018-2022 (JD Million)

Item	2018	2019	2020	2021	2022
Money Market Tools	55.9	78.3	58.0	56.2	70.4
Bonds	264.2	322.2	379.3	402.8	431.2
Loans	12.1	16.1	19.1	21.1	11.1
Equity	87.6	112.7	36.3	92.4	121.9
Real Estate	0.8	7.7	1.7	15.8	45.6
Other Revenues	17.0	23.7	20.0	10.2	8.8
Total Expenditure	**−3.9**	**−4.4**	**−5.7**	**−5.0**	**4.7**
SSIF Net Income	**433.6**	**556.2**	**508.6**	**593.5**	**684.2**

Standalone Financial Statements 2022

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INDEPENDENT AUDITOR'S REPORT
TO HIS EXCELLENCY THE CHAIRMAN AND THE MEMBERS OF INVESTMENT BOARD
Amman - Jordan

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Social Security Investment Fund (the "Fund"), which comprise the statement of financial position as at 31 December 2022, and the statement of revenues and expenses, statement of comprehensive income, statement of changes in Social Security Corporation equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund 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 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.

Emphasis of matter

We draw attention to note (2-1) to the financial statements, these financial statements represent the separate financial statements of the Fund; accordingly, the financial statements of the subsidiaries were not consolidated. The Fund prepared and issued its consolidated financial statements as at 31 December 2022 in accordance with International Financial Reporting Standard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- 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 Fund'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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate 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 Fund to cease to continue as a going concern.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

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

ERNST & YOUNG
Amman - Jordan

Amman – Jordan
1 August 2023

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022
(IN THOUSANDS OF JORDANIAN DINARS)

	Notes	2022	2021
Assets			
Bank balances	4	950	491
Deposits at banks and financial institutions	5	1,669,798	1,558,013
Financial assets at fair value through profit or loss	6	146,126	135,724
Loans and granted debts	7	447,858	412,142
Financial asset at fair value through other comprehensive income	8	1,684,281	1,354,896
Investments in subsidiaries	9	301,229	281,250
Investments in associates	10	348,263	268,946
Financial assets at amortized cost	11	7,869,691	7,074,961
Due from related parties	25	30,144	36,647
Investment properties	12	817,164	748,155
Investments in joint operations	13	15	15
Investments in hotels	14	271,092	271,092
Property and equipment	15	5,453	5,658
Other assets	16	211,187	193,213
Total assets		13,803,251	12,341,203
Liabilities and Social Security Corporation Equity			
Liabilities -			
Other liabilities	17	20,651	5,045
Income tax provision	26	535	272
Total liabilities		21,186	5,317
Social Security Corporation Equity -			
Social Security Corporation current account		7,026,832	6,593,228
Social Security Corporation current account – Unemployment Fund	18	84,910	183,464
Fair value reserve	27	720,823	295,626
Accumulated surplus of revenues over expenses		5,949,500	5,263,568
Total Social Security Corporation Equity		13,782,065	12,335,886
Total liabilities and Social Security Corporation Equity		13,803,251	12,341,203

The attached notes from 1 to 33 represent part of these separate financial statements

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
SEPARATE STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2022
(IN THOUSANDS OF JORDANIAN DINARS)

	Notes	2022	2021
Revenues -			
Interest income	19	531,246	485,914
Gains of financial assets at fair value through profit or loss, net	20	10,542	40,983
Gains on investment properties, net	21	44,308	15,784
Dividends distribution	22	111,313	51,376
Reversal of (provision for) expected credit losses		(11,540)	1,273
Other revenues, net		3,063	3,147
		688,932	598,477
Expenses -			
Administrative expenses	23	(3,959)	(4,440)
Surplus of revenues over expenses for the year before income tax		684,973	594,037
Income tax expense	26	(779)	(542)
Surplus of revenues over expenses for the year		684,194	593,495

The attached notes from 1 to 33 represent part of these separate financial statements

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
SEPARATE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022
(IN THOUSANDS OF JORDANIAN DINARS)

	2022	2021
Surplus of revenues over expenses for the year	684,194	593,495
Add: other comprehensive income items not to be reclassified to revenues and expenses in subsequent periods		
Change in financial assets' fair value	424,102	446,910
Total comprehensive income for the year	1,108,296	1,040,405

The attached notes from 1 to 33 represent part of these separate financial statements

Social Security Corporation – Social Security Investment Fund
Separate Statement of Changes in Social Security Corporation Equity
For the Year Ended 31 December 2022
(In Thousands of Jordanian Dinars)

	Notes	Social Security Corporation current account	Social Security Corporation current account – unemployment fund	Fair value reserve	Accumulated surplus of revenues over expenses	Total
For the year ended 31 December 2022						
Balance as at 1 January 2022		6,593,228	183,464	295,626	5,263,568	12,335,886
Reclassification of the current account balances of the Social Security Corporation and the Unemployment Fund		59,521	(68,565)	-	9,044	-
Total comprehensive income for the year		-	-	424,102	684,194	1,108,296
Realized losses from sale of financial assets at fair value through other comprehensive income		-	-	1,095	(1,095)	-
Cash transferred during the year, net		374,083	(36,200)	-	-	337,883
Unemployment Fund's share of the Investment Fund's returns	18	-	6,211	-	(6,211)	-
Balance as at 31 December 2022		7,026,832	84,910	720,823	5,949,500	13,782,065
For the year ended 31 December 2021						
Balance as at 1 January 2021		6,458,605	174,725	(169,297)	4,696,825	11,160,858
Total comprehensive income for the year		-	-	446,910	593,495	1,040,405
Realized losses from sale of financial assets at fair value through other comprehensive income		-	-	18,013	(18,013)	-
Cash transferred during the year, net		134,623	-	-	-	134,623
Unemployment Fund's share of the Investment Fund's returns	18	-	8,739	-	(8,739)	-
Balance as at 31 December 2021		6,593,228	183,464	295,626	5,263,568	12,335,886

The attached notes from 1 to 33 represent part of these separate financial statements

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022
(IN THOUSANDS OF JORDANIAN DINARS)

	Notes	2022	2021
Operating activities			
Surplus of revenues over expenses for the year before income tax		684,973	594,037
Adjustments-			
Depreciation	15	265	233
Gain from revaluation of financial assets at fair value through profit or loss	20	(10,532)	(40,897)
Realized gains on sale of financial assets at fair value through profit or loss	20	(11)	(88)
Provision for expected credit losses		19,043	122
Recovered from provision for expected credit losses		(7,503)	(1,395)
Gain on investment property valuation at fair value	21	(40,940)	(13,026)
Other commitments provision		355	-
Working capital changes:			
Deposits at banks and financial institutions with maturity of more than 3 months		616,944	(125,122)
Financial assets at fair value through profit or loss		141	422
Other assets		(18,369)	(15,493)
Due from related parties		1,063	(7,551)
Other liabilities		382	(967)
Income tax paid	26	(516)	(1,073)
Net cash flows from operating activities		1,245,295	389,202
Investing activities			
Loans and granted debts		(46,781)	(15,144)
Financial assets at fair value through other comprehensive income		(3,504)	5,252
Financial assets at amortized cost		(788,110)	(502,819)
Investments in subsidiaries		(1,075)	(3,345)
Investment properties	12	(13,200)	(18,270)
Purchases of property and equipment	15	(73)	(128)
Proceeds from sale of property and equipment		13	-
Investments in hotels		-	(961)
Investments in joint operations		-	(2)
Net cash flows used in investing activities		(852,730)	(535,417)
Financing activities			
Net of amounts transferred from the Social Security Corporation		374,083	134,623
Social Security Corporation Current account - Unemployment Fund		(36,200)	-
Net cash flows from financing activities		337,883	134,623
Net increase (decrease) in cash and cash equivalents		730,448	(11,592)
Cash and cash equivalents at 1 January		340,394	351,986
Cash and cash equivalents at 31 December	24	1,070,842	340,394

The attached notes from 1 to 33 represent part of these separate financial statements

(1) GENERAL

Social Security Investment Fund was established in accordance with 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, and in accordance with the Social Security Corporation's Board of Directors Decision No. 1/2003 dated 2 January 2003.

In accordance with Social Security temporary law No. (7) For the year 2010 the name of the Investment Fund was modified to become "Social Security Investment Fund" "The Fund". The Fund's registered address is 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 its objectives, the Fund undertakes the following tasks:

- Establishing projects in cooperation with the public and private sectors and contributing to existing projects that are economically feasible on corporation investments.
- Underwriting, purchasing and selling of bonds, bills and other securities.
- Investing in cash deposits with the banking system with appropriate returns.
- Contributing in mutual investments 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 invests in, and report on the performance of these companies, along with recommendations to the Board of Investment.

The separate financial statements of the Social Security Investment Fund for the year 2022 have been approved by the Board of Investment on its meeting held on 26 May 2023.

(2-1) BASIS OF PREPARATION

The separate financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

These financial statements represent the separate financial statements of the Fund; accordingly, the financial statements of the subsidiaries were not consolidated. The Fund prepared and issued its consolidated financial statements as at 31 December 2022 in accordance with International Financial Reporting Standard.

The financial statements are prepared under the historical cost convention, expect for the financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties and investments in subsidiaries and associates which have been presented at fair value at the date of the financial statements.

The financial statements are presented in Jordanian Dinars (JD) which is the functional currency of the Fund, all amounts are rounded to the nearest thousand in Jordanian Dinars unless stated otherwise.

(2-2) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2021 except for the adoption of new amendments on the standards effective as of 1 January 2022 shown below:

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

These amendments had no material impact on the financial statements of the Fund.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no material impact on the financial statements of the Fund.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no material impact on the financial statements of the Fund.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no material impact on the financial statements of the Fund.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that the Fund includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

These amendments had no material impact on the financial statements of the Fund.

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no material impact on the financial statements of the Fund.

(2-3) SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used are as follows:

Financial assets at amortized cost

Financial assets at amortized cost are financial assets that the Fund's management aims, according to its business model, to hold to collect their contractual cash flows 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 the premium/discount are amortized using the effective interest rate method less allowance for impairment, increasing or decreasing the interest. The losses arising from impairment are recognized in the separate statement of revenues and expenses.

A provision for expected credit losses for financial assets at amortization cost is recognized through reaching the probability of default and loss rates of assuming default. The Fund relies on numerous main economic indicators in buliding a number of assumptions, most importantly GDF growth indicators, the financial market index and debt indicators, in addition to the classification issued by credit rating institutions based on statistical data of global default rates for such classification.

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 cost (transaction costs are recorded in the separate statement of revenues and expenses at the purchase date), these assets are then revalued at fair value. Gains or losses arising on the revaluation of these financial assets, including the change in fair value arising from non-monetary assets in foreign currencies, are recognized in the separate statement of revenues and expenses. When these assets or portion of these assets are sold, the gains or losses arising is recorded in the separate statement of revenues and expenses.

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

Financial assets at fair value through other comprehensive income

These assets represent investments in equity instruments which are intended to be held long-term.

These assets are initially measured at their fair value plus transaction costs. Subsequently, they are revaluated at fair value. Gains or losses arising on the subsequent revaluation of these equity investments, including the change in fair value arising from non-monetary assets denominated in foreign currencies, are recognized in the separate statement of changes in Social Security Corporation equity. When these assets or portion of these assets are sold, the gains or losses arising are recorded in the separate statement of comprehensive income and in the separate statement of changes in Social Security Corporation equity. The fair value reserve balance for those sold assets, is directly transferred to the accumulated surplus of revenues over expenses and not through the separate statement of revenues and expenses.

These financial assets are not subject to impairment testing.

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

Investments in associates

An associate is an entity over which the Fund has significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee without having control over it. Considerations used to determine control or joint control is similar to those used to determine control over a subsidiary. Investments in associates are stated at fair value.

Investments in subsidiaries

Subsidiaries are entities controlled by the Fund and control is achieved when the Fund is exposed to the variable results arising from an investment in a subsidiary or have rights to such returns and are able to influence such returns through its authority over these subsidiaries. Investments in subsidiaries are stated at fair value.

Investments in hotels

Investments in hotels are stated at cost and the depreciation of the hotels' assets are included in their respective financial statement and reflected in the consolidated financial statements of the Fund.

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 direct loans and granted debts is recognised through reaching the probability of default and loss rates assuming default. The Fund relies on numerous main economic indicators in building a number of assumptions, most importantly GDP growth indicators, the financial market index and debt indicators, in addition to the classification issued by credit rating institutions based on statistical data of global default rates for such classification.

Fair value

The Fund evaluates its financial instruments such as financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, investment in subsidiaries, investments in associates and investment properties at fair value at the date of the financial statements.

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, most advantageous market for the asset or liability is used.

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.

The Fund 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 Fund uses the following order for 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 financial statements 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.

Property and equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment in value. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the separate statement of revenues and expenses.

Depreciation is calculated using the straight-line method (except for lands), when the assets become ready to use. Depreciation rates used are as follows:

	%
Buildings	2
Machines, equipment and furniture	10-15
Vehicles	15
Computers	25
Computers software	25

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 separate 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 a change in estimates in future periods.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off.

Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in the separate statement of revenues and expenses is expensed as incurred.

An item of property and equipment is derecognized upon disposal or when no economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the separate statement of revenues and expenses in the year the asset is derecognized.

Investments properties

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

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

Investment properties are valued using assumptions that reflect market prices and conditions using the average valuation amounts for five independent real estate experts after excluding the highest and lowest valuations. Investment properties are valued at the date of purchase using the purchase price.

Revenue and expense recognition

Revenues and expenses are recognized on an accrual basis, except for interest and commissions of non-performing loans which are not recognized as revenue and are recorded as interest and commission in suspense account.

Dividends income is recognized when it is realized (declared and approved by the Shareholders' General Assembly).

Date of recognition of financial assets

Purchase and sale of financial assets are recognized at the trade date (the date that the Fund commits to purchase or sell the financial asset).

Repurchase and resale agreements

Assets sold with a corresponding commitment to repurchase them at a future date continue to be recognized in the financial statements as a result of the Fund's continuous control over these assets and as the related risks and rewards are transferred to the Fund 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 method.

Assets purchased with a corresponding commitment to resell at a defined future date are not recognized in the financial statements, as a result of lack of control by the Fund over these assets and as the related risks and rewards are not transferred to the Fund upon occurrence. Amounts related to those contracts are recognized within deposits at banks and financial institutions or within loans and granted debts, the difference between the resale and the purchase price is recognized as interest income realized over the period of the contract using the effective interest rate method.

Income tax

- Income tax provision is calculated in accordance with Income Tax Law (38) of year 2018 amending Income Tax Law No. (34) of year 2014.

- Income tax expense represents accrued tax and deferred tax.

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

- Taxes are calculated based on the 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 foreign investments and revenues from leased properties.

- 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 separate financial statements and the value upon which taxable income is calculated. Deferred taxes are calculated using the liability method on the statement of financial position and are calculated based on tax rates expected to be implemented upon the settlement of a tax commitment or upon the realization of tax asset.

Foreign currencies

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 statement of financial position as declared by the Central Bank of Jordan.

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

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances with the Central Bank of Jordan, and balances at banks and financial institutions with a maturity of three months or less.

Trade receivables

Trade receivables are stated at original invoice amount less any provision of expected credit losses. The Fund applies a simplified approach in calculating estimated credit losses. The Fund has historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment in accordance to International Financial Reporting Standard (9).

Trade payables and accruals

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

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 Fund according to its percentage of ownership in these operations.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently 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.

Contingent assets and liabilities

Contingent liabilities are not recorded in the Fund's separate financial statements, but are disclosed when the possibility of future economic benefits flowing is minimal.

Potential assets are not recorded in the Fund's separate financial statements, but are disclosed when the possibility of future economic benefits flowing is probable.

(3) SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements 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 estimates required. Such estimates are based on necessary assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such estimates.

Management has made some judgements in applying the Fund's accounting policies. Judgments made by management that have major impact on amounts recognized in the separate financial statements are disclosed in the relevant notes to the financial statements.

Key assumptions relating to the future and other sources of estimation at the audit report date 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 separate financial statements.

The Fund included its assumptions and estimates in preparing the separate financial statements. However, current conditions and estimates related to further developments may change as a result of market changes or circumstances that may arise out of the Fund's control. The Fund reflects these changes to assumptions once they occur.

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

- Impairment of investment properties is recorded based on recent valuations approved by accredited real estate evaluators which are used 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 separate statement of revenues and expenses.
- Provisions recognized for lawsuits raised against the Fund are based on legal studies prepared by the Fund'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 separate statement of revenues and expenses.
- 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 Fund'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 Fund determined the value of the provision for impairment of financial assets in accordance with the International Financial Reporting Standards (IFRS).

The Fund's policy is to determine common elements on which credit risk and expected credit losses are measured on a collective or an individual basis.

Methodology used to calculate expected credit losses

Key concepts that have a material impact and require a high degree of management's judgment and which have been considered by the Fund 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 Fund 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 Funds' 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 Fund had 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 Fund 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.

- **Macroeconomic 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 Fund'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. 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 based on 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 Fund's internal credit risk management. 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 Fund considers the maximum extent of expected cash flows that the Fund considers to be at risk of impairment. All contractual obligations for life expectancy are considered including prepayment options and extension options. The expected life of some revolving credit facilities with no fixed repayment date is measured based on the Fund's exposure to credit risk that management cannot avoid.

- **Scope of application**

The expected credit loss allowance was measured and calculated on all the financial assets of the Investment Fund, as follows:

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

- **Hypotheses and methodology of work**

Each of the above investment instruments, which is subject to the scope of IFRS 9, 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 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)

(4) BANK BALANCES

This item consists of the following:

	2022	2021
Current accounts on demand *	950	491
	950	491

* This item includes the amount of JD 144 thousand as current accounts related to the Unemployment Fund as at 31 December 2022 (31 December 2020: JD 113 thousand).

- As at 31 December 2022 and 2021, current accounts did not include any balance with foreign banks and financial institutions.

- There were no restricted balances as at 31 December 2022 and 2021.

(5) DEPOSITS AT BANKS AND FINANCIAL INSTITUTIONS

This item consists of the following:

	2022	2021
Deposits maturing within 3 months or less	1,069,892	339,903
Deposits maturing within 3 to 6 months	239,700	611,768
Deposits maturing within 6 to 12 months	371,400	616,276
	1,680,992	1,567,947
Less: provision for expected credit losses*	(11,194)	(9,934)
	1,669,798	1,558,013

- Interest rates on deposits in Jordanian Dinar range between 2.75% to 6.4% for the year ended 31 December 2022 and from 2.95% to 4.5% for the year ended at 31 December 2021.
- There are no balances with foreign banks and financial institutions and there are no restricted balances as at 31 December 2022 and 2021.
- Deposits include an amount of JD 173 Million which represents deposits against the mortgage of government bonds for the benefit of the Fund held at Capital Bank of Jordan (legal successor of Societe Generale Bank Jordan).(2021: JD 174 Million).

* Movements on provision for expected credit losses for deposits at banks and financial institutions during the year were as follows:

	2022				2021
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	9,934	-	-	9,934	10,208
Provision (recovered from) during the year	1,260	-	-	1,260	(274)
Balance as at 31 December	11,194	-	-	11,194	9,934

(IN THOUSANDS OF JORDANIAN DINARS)

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

This item consists of the following:

	2022	2021
Quoted shares:		
Local	133,073	125,152
Foreign	13,053	10,572
	146,126	135,724

(7) LOANS AND GRANTED DEBTS

This item consists of the following:

	2022	2021
Direct loans	424,445	377,033
Syndicated loans	32,287	37,679
Housing loans	16,102	11,341
	472,834	426,053
Less: provision for expected credit losses*	(24,976)	(13,911)
	447,858	412,142

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

	2022				2021
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	11,987	-	1,924	13,911	14,432
Recovered from provision for the year (housing loans)	-	-	-	-	(18)
Provision of (recovered from) during the year (direct loans)	11,488	-	-	11,488	(82)
Recovered from provision during the year (syndicated loans)	(423)	-	-	(423)	(421)
Balance as at 31 December	23,052	-	1,924	24,976	13,911

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

	Balance	Interest rate	The maturity date of the last installment	Guarantees
		%		
Direct loans	424,445	3.5 – 8.39	1 January 2040	Governmental, real estates, legal
Syndicated loans	32,287	8.43-10.75	14 June 2028	Governmental, real estates, legal
Housing loans	16,102	4.75	31 December 2056	Real estates
	472,834			

Non-performing loans and debts amounted to JD 1,924 thousand representing 0.41% of loans and granted debts as at 31 December 2022 compared of JD 1,924 thousand representing 0.45% of loans and granted debts at 31 December 2021. A provision was provided for those amounts in full.

(IN THOUSANDS OF JORDANIAN DINARS)

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

This item consists of the following:

	2022	2021
Quoted shares in local financial markets*	1,636,824	1,307,826
Non-quoted shares in local financial markets	46,645	43,303
Other financial assets:		
Investments in mutual funds (in USD)	812	3,767
	1,684,281	1,354,896

*** Quoted financial assets are distributed according to sectors as follows:**

	Rate %	2022	Rate %	2021
Banking sector	49.7	813,351	61.4	802,704
Manufacturing sector	48.7	797,799	36.7	479,512
Services sector	1.5	24,318	1.8	23,514
Insurance sector	0.1	1,356	0.1	2,096
		1,636,824		1,307,826

(IN THOUSANDS OF JORDANIAN DINARS)

(9) INVESTMENTS IN SUBSIDIARIES

This item consists of the following:

Company name	Capital's number of shares	Number of shares owned by the Fund	Ownership percentage %	Nature of Business	Value of investment 2022	Value of investment 2021
Listed in Amman Stock Exchange*						
Jordanian Duty-Free Shops	22,500,000	12,711,006	56.5	Duty free	111,094	99,146
Al Daman for Investment Company	10,000,000	6,140,000	61.4	Investment	5,833	6,140
Jordan Press Foundation (Al-Rai)	10,000,000	5,492,000	54.9	Press and publishing	604	1,153
					117,531	106,439
Non-listed *						
Kingdom Electricity Company	50,000	35,000	70	Energy Investment	100,476	95,609
Al Daman for Development Zones	40,000,000	40,000,000	100	Investment	45,988	41,270
National Company for Touristic Development	2,050,000	2,050,000	100	Tourism services	26,541	28,779
United Traveling Center**	1,726,202	1,726,202	100	Rental services	1,293	1,193
Rama for Investment and Saving	560,000	560,000	100	Investment	3,179	2,366
Al Daman for Finance Leasing	500,000	500,000	100	Finance leasing	523	519
Al Daman for Investment and Agriculture***	6,200,000	6,200,000	100	Agricultural Investment	5,305	4,869
Al Daman for Hotel Transport Services	100,000	100,000	100	Tourism services	131	138
Jordan Daman Company for International Business	300,000	300,000	100	Investment	262	68
					183,698	174,811
					301,229	281,250

* Current and non-current investments in subsidiaries are stated at fair value at the date of the separate financial statements.

** The General Assembly of the United Traveling Center decided in its extraordinary meeting held on 10 April 2022 to reduce its capital by 260 thousand dinars, bringing the authorized and paid capital to 1,726 thousand dinars, in order to extinguish the accumulated losses in the amount of 85 thousand dinars, and the amount of 175 thousand dinars was returned to the Fund.

*** The General Assembly of the Jordan Daman Company for International Business approved in its extraordinary meeting held on 17 May 2022 to increase the paid-in capital of the company by an amount of 200 thousand dinars to become 300 thousand dinars instead of 100 thousand dinars.

(IN THOUSANDS OF JORDANIAN DINARS)

(10) INVESTMENTS IN ASSOCIATES

This item consists of the following:

Company Name	Capital's number of shares	Number of shares owned by the Fund	Ownership percentage %	Nature of Business	Value of investment 2022	Value of investment 2021
Listed in Amman Stock Exchange*:						
Jordan Telecommunication	187,500,000	54,150,000	28.9	Telecommunication	127,253	115,881
Jordan Petroleum Refinery	100,000,000	20,140,624	20.1	Petrochemical	107,752	69,082
Jordan Kuwait Bank	150,000,000	31,562,466	21	Banking and Financial services	52,078	42,925
Jordan Electricity Company	88,232,158	18,938,703	21.5	Energy	41,665	21,969
Jordan Worsted Mills Factories	15,000,000	3,000,000	20	Textiles	6,420	6,570
Jordan Cement Factories	60,444,460	13,197,226	21.8	Construction	7,786	7,126
					342,954	263,553
Non-listed*:						
National Company for Infrastructure Investment	80,000	39,000	48.8	Investment	29	34
South Dead Sea Development Co.	17,000,000	5,100,000	30	Investment	5,280	5,359
					5,309	5,393
					348,263	268,946

* Current and non-current investments in associates are stated at fair value at the date of the separate financial statements.

(IN THOUSANDS OF JORDANIAN DINARS)

(11) FINANCIAL ASSETS AT AMORTIZED COST

This item consists of the following:

	Average interest rates %	2022	2021
A- Government and public institution bonds			
Treasury bonds*	3.48 – 7.99	7,729,116	6,891,010
Public institutions bonds	6.41 – 6.48	21,640	36,634
		7,750,756	6,927,644
B- Bonds, debts and other securities			
Private companies' bonds and debts	4.00 – 7.00	125,567	160,569
Less: provision for expected credit losses**		(6,632)	(13,252)
		118,935	147,317
		7,869,691	7,074,961

Financial assets at amortized costs maturity dates range from one month to 25 years.

* This item includes an amount of JD 80,015 thousand as at 31 December 2022 which represents bonds related to the Unemployment Fund (31 December 2021: JD 181,336 thousand).

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

	2022				2021
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	12,666	-	586	13,252	13,203
Provision for the year	-	-	459	459	49
Recovered from provision during the year	(7,079)	-	-	(7,079)	-
Balance as at 31 December	5,587	-	1,045	6,632	13,252

(12) INVESTMENT PROPERTIES

This item consists of the following:

	2022	2021
Investment lands	770,094	726,724
Investment buildings	47,070	21,431
	817,164	748,155

(IN THOUSANDS OF JORDANIAN DINARS)

Movements on investment properties during the year were as follows:

	2022	2021
Balance as at 1 January	748,155	715,812
Purchase of investment properties	13,200	18,270
Transferred from Investments in Joint Operations*	-	1,033
Transfer the administrative building and land of the investment fund to investment properties (note 15) **	-	14
Buildings built on leased lands***	14,869	-
Gains (losses) on valuation of investment properties at fair value (note 21)	40,940	13,026
Balance as at 31 December	817,164	748,155

* During 2021, lands from investments in joint operations were transferred to investment property after they were sorted, and their ownership was transferred to the Fund under fundamental registration documents. The lands were re-evaluated by real estate experts and were recorded at fair value.

** During the year 2021, part of the building and land of the Administrative Fund was transferred from property and equipment to real estate investments as a result of changing the purposes of its use.

*** During the year 2022, the Fund concluded agreements 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.

(13) INVESTMENTS IN JOINT OPERATIONS

This item consists of Al-Zaytuna project (1) which represent lands that the Fund invested in, jointly with Housing and Urban development Corporation as well as other partners. These lands have been sorted and are to be distributed to investors based on their percentage of ownership in these projects. Investments in joint operations are stated at cost as at 31 December 2022 and 2021, the details of the operations were as follows:

	2022	2021
Al-Zaytuna project (1)*	15	15
	15	15

* It is expected that during 2023, the projects' lands will be transferred to investment properties.

(IN THOUSANDS OF JORDANIAN DINARS)

(14) INVESTMENTS IN HOTELS

This item consists of the following:

	2022	2021
Crown Plaza Resort - Dead sea	100,648	100,648
Intercontinental Resort - Aqaba	58,946	58,946
Holiday Inn Resort - Dead sea	48,091	48,091
Crown Plaza Hotel - Amman	39,669	39,669
Crown Plaza Resort - Petra	13,978	13,978
Amman Cham Palace Hotel - Amman	9,760	9,760
	271,092	271,092

* Investments in hotels are stated at cost and the assets of these hotels are depreciated in their respective financial statements and are consolidated in the Fund's financial statements.

(IN THOUSANDS OF JORDANIAN DINARS)

(15) PROPERTY AND EQUIPMENT

	Land	Buildings	Machinery, equipment and furniture	Vehicles	Computers	Computer Software	Total
2022 -							
Cost:							
Balance as at 1 January	3,012	3,160	222	233	437	626	7,690
Additions	-	37	23	-	-	13	73
Disposals	-	-	(25)	(48)	(70)	(57)	(200)
Balance as at 31 December	3,012	3,197	220	185	367	582	7,563
Accumulated depreciation:							
Balance as at 1 January	-	904	148	152	322	506	2,032
Depreciation for the year	-	149	16	13	37	50	265
Disposals	-	-	(18)	(42)	(70)	(57)	(187)
Balance as at 31 December	-	1,053	146	123	289	499	2,110
Net book value as at 31 December 2022	3,012	2,144	74	62	78	83	5,453

- The balance of fully depreciated property and equipment amounted to JD 718 thousand as at 31 December 2022.

(IN THOUSANDS OF JORDANIAN DINARS)

	Land	Buildings	Machinery, equipment and furniture	Vehicles	Computers	Computer Software	Total
2021 -							
Cost:							
Balance as at 1 January	3,019	3,167	209	173	409	599	7,576
Additions	-	-	13	60	28	27	128
Transfer to investment properties (note 12)	(7)	(7)	-	-	-	-	(14)
Balance as at 31 December	3,012	3,160	222	233	437	626	7,690
Accumulated depreciation:							
Balance as at 1 January	-	755	136	148	295	465	1,799
Depreciation for the year	-	149	12	4	27	41	233
Balance as at 31 December	-	904	148	152	322	506	2,032
Net book value as at 31 December 2021	3,012	2,256	74	81	115	120	5,658

- The balance of full depreciated property and equipment amounted to JD 857 thousand as at 31 December 2021.

(IN THOUSANDS OF JORDANIAN DINARS)

(16) OTHER ASSETS

This item consists of the following:

	2022	2021
Accrued interest*	154,742	144,196
Projects under construction**	47,210	43,376
Receivables and fines of lessees' receivables	6,753	6,995
Housing Fund deposits	2,354	2,473
Advance payments to purchase lands	1	-
Advance payments to Petra Hotel	3,157	-
Others	1,935	299
	216,152	197,339
Less: provision for expected credit losses***	(4,965)	(4,126)
	211,187	193,213

* This item includes an amount of JD 700 thousand as of 31 December 2022, which represents accrued interests related to Unemployment Fund (31 December 2021: JD 2,022 thousand).

** Projects under construction consists of the following:

- 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 2023.

- An amount of JD 12,402 thousand which represents the development project of Crowne Plaza Petra Hotel. The expected cost of the project is JD 21,082 thousand and is expected to be completed during 2023.

- During 2021, an amount of 17,411 thousand was capitalized on the account of investments in hotels, which represents the power plant project using solar energy.

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

	2022				2021
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	-	262	3,864	4,126	4,726
Transferred from other receivables	-	-	444	444	-
Provision (recovered from) for the year	-	-	395	395	(600)
Balance as at 31 December	-	262	4,703	4,965	4,126

(IN THOUSANDS OF JORDANIAN DINARS)

(17) OTHER LIABILITIES

This item consists of the following:

	2022	2021
Deferred revenues	15,840	2,082
Accounts payable	1,906	601
Other commitments provision (note 32)	1,024	669
Others	1,881	1,693
	20,651	5,045

(18) SOCIAL SECURITY CORPORATION CURRENT 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 were 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:

	2022	2021
Balance as at 1 January	183,464	174,725
Reclassification of the current account balances of the Social Security Corporation and the Unemployment Fund	(68,565)	-
Net cash transferred during the year to the Corporation for the Unemployment Fund	(36,200)	-
Unemployment Fund's share of Investment Fund's returns during the year	6,211	8,739
Balance as at 31 December	84,910	183,464

(19) INTEREST INCOME

This item consists of the following:

	2022	2021
Interest of bonds and treasury bills*	437,978	408,110
Interest of balances and deposits at banks and financial institutions*	70,540	56,653
Interest of loans and granted debts	22,728	21,151
	531,246	485,914

* These items include an amount of JD 6,251 thousand as of 31 December 2022 which represents interest income for the benefit of the Unemployed Fund (2021: JD 8,766 thousand).

(IN THOUSANDS OF JORDANIAN DINARS)

(20) GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS, NET

This item consists of the following:

	2022	2021
Realized gains	11	88
Unrealized revaluations gains	10,532	40,897
Commissions of purchases and sales	(1)	(2)
	10,542	40,983

(21) GAINS ON INVESTMENT PROPERTIES, NET

This item consists of the following:

	2022	2021
Revenues:		
Revenues from leased properties	3,768	3,288
Compensations received	64	-
Expenses:		
Management fees, valuation and other expenses	(464)	(530)
Change in fair value:		
Gains on valuation of investment properties at fair value (note 12)	40,940	13,026
	44,308	15,784

(22) DIVIDENDS DISTRIBUTION

This item consists of the following:

	2022	2021
Dividends from financial assets through other comprehensive income	75,472	35,459
Dividends from associates	18,174	7,766
Dividends from financial assets through profit or loss	7,875	6,796
Dividends from subsidiaries	9,792	1,355
	111,313	51,376

(IN THOUSANDS OF JORDANIAN DINARS)

(23) GENERAL AND ADMINISTRATIVE EXPENSES

This item consists of the following:

	2022	2021
Salaries and wages	1,905	1,946
Incentives and rewards	496	507
Legal expenses	60	506
Contribution to Social Security	274	282
Depreciation (note 15)	265	233
Professional fees and legal and technical consultancy	147	181
Insurance	164	151
Maintenance and support of software	95	97
Investment's Board members' remuneration	85	88
Transportation	59	58
Subscriptions	44	44
Electricity, water and heating	16	43
Cleaning expenses	45	43
Remuneration of Investment Board committee	31	32
Stationery	27	25
Advertising and public relations	15	20
Training and courses	17	18
Contribution to Saving Fund	17	17
Telephone, mail and internet	20	14
General maintenance	15	13
Bank charges	4	5
Daily wages and travel expenses	5	-
Others	153	117
	3,959	4,440

(24) CASH AND CASH EQUIVALENTS

This item consists of the following:

	2022	2021
Current accounts and deposits on demand (note 4)	950	491
Deposits maturing within three months or less (note 5)	1,069,892	339,903
	1,070,842	340,394

(IN THOUSANDS OF JORDANIAN DINARS)

(25) RELATED PARTIES TRANSACTIONS

Related parties' represent associates and subsidiaries, major shareholders in associates and subsidiaries, directors and key management personnel and companies of which they are principal owners. The Fund entered into transactions with the Social Security Corporation, associates and subsidiaries 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:

	2022				2021
Statements of separate financial position items	Parent Corporation	Subsidiaries	Associates	Total	Total
Assets and liabilities:					
Bank balances and deposits-					
Jordan Kuwait Bank (current account)	-	-	186	186	3
Jordan Kuwait Bank (deposits)	-	-	63,000	63,000	67,700
Due from related parties-					
National for Tourism Development*	-	9,872	-	9,872	10,030
Jordanian Daman Company for International Business	-	28,975	-	28,975	27,730
Crowne Plaza Amman	-	-	-	-	500
Holiday Inn Dead Sea	-	-	-	-	650
Crowne Plaza Dead Sea	-	-	-	-	1,000
	-	38,847	-	38,847	39,910
Less: provision for expected credit losses**	-	(8,703)	-	(8,703)	(3,263)
	-	30,144	-	30,144	36,647
Loans -					
Social Security Corporation	120,000	-	-	120,000	100,000
Al-Daman for International Investments	-	51,060	-	51,060	51,060
Kingdom Electricity Company	-	19,536	-	19,536	23,511
Daman for Finance Leasing	-	147,522	-	147,522	162,135

(IN THOUSANDS OF JORDANIAN DINARS)

Items of the separate statements of revenues and expenses	2022 Parent Corporation	2022 Subsidiaries	2022 Associates	2022 Other	2022 Total	2021 Total
Interest-						
Deposits with Jordan Kuwait Bank	-	-	2,294	-	2,294	1,487
Kingdom Electricity Company loan	-	1,441	-	-	1,441	1,558
Al-Daman for Finance Leasing loan	-	11,045	-	-	11,045	10,070
Al-Daman for International Investments loan	-	518	-	-	518	519
Social Security Corporation loan	4,027	-	-	-	4,027	4,044
Dividends Income-						
Jordanian Duty-Free shops	-	2,542	-	-	2,542	2,542
Rama for Investment and Saving	-	-	-	-	-	84
Jordan Electricity Power Company	-	-	1,704	-	1,704	924
Jordan Petroleum Refinery	-	-	6,042	-	6,042	1,007
Jordan Worsted Milles	-	-	420	-	420	420
Jordan Telecommunication Company	-	-	7,798	-	7,798	5,415
Executive management salaries and remunerations	-	-	-	708	708	687
Investment Board remuneration	-	-	-	115	115	120
Rental income-						
National Tourism and Development Company	-	30	-	-	30	28

* This item includes the cost of purchasing Al-Muthalathya land in Aqaba with an amount of JD 9.9 million, the amount was paid by the Social Security Investment Fund and the ownership of the land was registered in the name of the National Company for Touristic Development.

** Movements on provision for expected credit losses for due from related parties during the year were as follows:

	2022 Stage 1	2022 Stage 2	2022 Stage 3	2022 Total	2021 Total
Balance as at 1 January	3,263	-	-	3,263	3,190
Provision for the year	5,440	-	-	5,440	73
Balance as at 31 December	8,703	-	-	8,703	3,263

(IN THOUSANDS OF JORDANIAN DINARS)

(26) INCOME TAX

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

	2022	2021
Balance as at 1 January	272	803
Income tax expense for the year	779	542
Income tax paid	(516)	(1,073)
Balance as at 31 December	535	272

Income tax provision for the years ended 31 December 2022 and 2021 have been calculated in accordance with Income Tax Law No. (34) of 2014 and its amendments. Management believes that the provision amounting to JD 535 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 2019 to 2021 within the legal period. The Income and Sales Tax Department did not review the Fund's records until the date of preparing these financial statements.

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 2018, and the Income and Sales Tax Department estimated tax differences of a total of 607 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 separate financial statements.

The provision for the income tax is calculated as follows:

	2022	2021
Gross lease income	4,451	3,454
Less:		
Direct expenses related to property investment	(462)	(528)
Property investment depreciation	(337)	(337)
Salaries of the property investment department employees	(226)	(212)
Leases portion of shared expenses	(32)	(33)
Leases net income	3,394	2,344
Accrued income tax on rent fees (20%)	679	469
Accrued income tax on dividends from foreign investments (10%)	60	45
National contribution (1%)	40	28
Income tax expense	779	542

(IN THOUSANDS OF JORDANIAN DINARS)

(27) FAIR VALUE RESERVE

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

	2022	2021
Balance as at 1 January	295,626	(169,297)
Changes in fair value of financial assets through other comprehensive income	325,881	378,052
Changes in fair value of investments in subsidiaries	18,904	13,123
Changes in fair value of investments in associates	79,317	55,735
Realized loss from sale of financial assets through other comprehensive income	1,095	18,013
Balance as at 31 December	720,823	295,626

(28) FAIR VALUES OF FINANCIAL INSTRUMENTS

The Fund's financial instruments comprise of financial assets and liabilities.

Financial assets consist of 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, investments in associates and subsidiaries, financial assets at amortized cost, due from related parties and some other current assets. Financial liabilities consist of some other current liabilities.

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

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

- Level 1 : Quoted market prices in active markets for identical assets or liabilities.
- Level 2 : Valuation techniques for which the input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 : Valuation techniques for which the input that is significant to the fair value measurement but it is unobservable.

2022 -	Level (1)	Level (2)	Level (3)	Total
Financial Assets:				
Financial assets through profit or loss	146,126	-	-	146,126
Financial assets though other comprehensive income	1,636,824	-	47,457	1,684,281
Investments in subsidiaries	117,531	-	183,698	301,229
Investments in associates	342,954	-	5,309	348,263
	2,243,435	-	236,464	2,479,899

(IN THOUSANDS OF JORDANIAN DINARS)

2021 -	Level (1)	Level (2)	Level (3)	Total
Financial Assets:				
Financial assets through profit or loss	135,724	-	-	135,724
Financial assets though other comprehensive income	1,307,826	-	47,070	1,354,896
Investments in subsidiaries	106,439	-	174,811	281,250
Investments in associates	263,553	-	5,393	268,946
	1,813,542	-	227,274	2,040,816

(29) RISK MANAGEMENT

The Fund 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 Fund monitors the risks and then handles the variances that exceed allowed limits.

In addition, the Fund also ensures the full compliance with laws and regulations that govern the Fund's activities which is reflected in its policies and procedures.

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

CREDIT RISK

Credit risk is the risk that one party to financial instrument will fail to discharge an obligation at their due dates.

The Fund performs necessary financial and credit analysis when acquiring any bonds for public shareholding companies or when granting loans. Moreover, the Fund sets deposit ceiling for the local banks based on defined methodology and the credit rating of the bank. In addition, the Fund sets a ceiling for the volume of transactions with the 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 Fund issues policies and procedures to ensure proper execution of the transactions in addition to providing the best information systems and specialized technical personnel and develops 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 Fund 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 Fund 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

Interest rate risk is the risk that results from changes in market value or future cash flows of financial instruments as a result of changes in interest rate.

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

The Fund performs analysis on the gaps of the investment instruments maturities and links it with the investment maturities and other liabilities which is performed by the management of assets and liabilities committee, by allocating cash market management portfolio and bonds portfolio to fit its maturities with the Fund's liabilities due dates.

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

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

Currency	Increase in interest rate	Impact on surplus of revenues over expenses for the year
	%	
2022-		
JD	1	95,736
USD	1	3,655
2021-		
JD	1	86,801
USD	1	3,655

(IN THOUSANDS OF JORDANIAN DINARS)

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

The sensitivity of interest rates is as follows:

2022 -	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	Non-interest bearing	Total
Assets								
Bank balances	950	-	-	-	-	-	-	950
Deposits at banks and financial institutions	688,002	380,885	239,700	361,211	-	-	-	1,669,798
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	301,044	-	447,858
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	1,684,281	1,684,281
Investments in subsidiaries	-	-	-	-	-	-	301,229	301,229
Investments in associates	-	-	-	-	-	-	348,263	348,263
Financial assets at amortized cost	-	169,101	185,037	118,352	1,303,388	6,093,813	-	7,869,691
Due from related parties	-	-	-	-	-	-	30,144	30,144
Investments properties	-	-	-	-	-	-	817,164	817,164
Investments in joint operations	-	-	-	-	-	-	15	15
Investment in hotels	-	-	-	-	-	-	271,092	271,092
Property and equipment	-	-	-	-	-	-	5,453	5,453
Other assets	-	-	-	-	-	-	211,187	211,187
Total Asset	691,803	562,513	442,718	499,659	1,396,747	6,394,857	3,814,954	13,803,251
Social Security Corporation Equity and Liabilities								
Social Security Corporation Equity -								
Social Security Corporation current account	-	-	-	-	-	-	7,026,832	7,026,832
Social Security Corporation current account - Unemployment Fund	-	-	-	-	-	-	84,910	84,910
Fair value reserve	-	-	-	-	-	-	720,823	720,823
Accumulated surplus of revenues over expenses	-	-	-	-	-	-	5,949,500	5,949,500
Total Social Security Corporation Equity	-	-	-	-	-	-	13,782,065	13,782,065
Liabilities -								
Other liabilities	-	-	-	-	-	-	20,651	20,651
Income tax provision	-	-	-	-	-	-	535	535
Total liabilities	-	-	-	-	-	-	21,186	21,186
Total Social Security Corporation Equity and Liabilities	-	-	-	-	-	-	13,803,251	13,803,251
Sensitivity variance	691,803	562,513	442,718	499,659	1,396,747	6,394,857	(9,988,297)	-
Accumulated sensitivity variance	691,803	1,254,316	1,697,034	2,196,693	3,604,506	9,988,297	-	-

(IN THOUSANDS OF JORDANIAN DINARS)

The sensitivity of interest rates is as follows:

2021 -	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	Non-interest bearing	Total
Assets								
Bank balances	491	-	-	-	-	-	-	491
Deposits at banks and financial institutions	474,651	296,038	606,808	180,516	-	-	-	1,558,013
Financial assets at fair value through profit or loss	-	-	-	-	-	-	135,724	135,724
Loans and granted debts	311	12,505	15,070	18,121	85,299	280,836	-	412,142
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	1,354,896	1,354,896
Investments in subsidiaries	-	-	-	-	-	-	281,250	281,250
Investments in associates	-	-	-	-	-	-	268,946	268,946
Financial assets at amortized cost	-	14,999	277,916	155,880	1,052,507	5,573,659	-	7,074,961
Due from related parties	-	-	-	-	-	-	36,647	36,647
Investments properties	-	-	-	-	-	-	748,155	748,155
Investments in joint operations	-	-	-	-	-	-	15	15
Investment in hotels	-	-	-	-	-	-	271,092	271,092
Property and equipment	-	-	-	-	-	-	5,658	5,658
Other assets	-	-	-	-	-	-	193,213	193,213
Total Asset	475,453	323,542	899,794	354,517	1,137,806	5,854,495	3,295,596	12,341,203
Social Security Corporation Equity and Liabilities								
Social Security Corporation Equity -								
Social Security Corporation current account	-	-	-	-	-	-	6,593,228	6,593,228
Social Security Corporation current account - Unemployment Fund	-	-	-	-	-	-	183,464	183,464
Fair value reserve	-	-	-	-	-	-	295,626	295,626
Accumulated surplus of revenues over expenses	-	-	-	-	-	-	5,263,568	5,263,568
Total Social Security Corporation Equity	-	-	-	-	-	-	12,335,886	12,335,886
Liabilities -								
Other liabilities	-	-	-	-	-	-	5,045	5,045
Income tax provision	-	-	-	-	-	-	272	272
Total liabilities	-	-	-	-	-	-	5,317	5,317
Total Social Security Corporation Equity and Liabilities	-	-	-	-	-	-	12,341,203	12,341,203
Sensitivity variance	475,453	323,542	899,794	354,517	1,137,806	5,854,495	(9,045,607)	-
Accumulated sensitivity variance	475,453	798,995	1,698,789	2,053,306	3,191,112	9,045,607	-	-

(IN THOUSANDS OF JORDANIAN DINARS)

SHARE PRICE RISK

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

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

2022-	Change in indicator	Effect on surplus of revenues over expenses for the year	Effect on Social Security Corporation equity
	%		
Indicator			
Amman stock exchange	5	6,654	111,519
Palestine stock exchange	5	653	653
		7,307	112,172
2021-			
Indicator			
Amman stock exchange	5	6,258	90,149
Palestine stock exchange	5	529	529
		6,787	90,678

The effect of the decreases in share prices with the same percentage is expected to be equal and opposite to the effect of the 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 Fund's functional currency is the Jordanian Dinars, and US Dollar is considered as the base currency for foreign investments. Therefore, due to the fact the Jordanian Dinar is fixed against the US Dollar, the Fund is not exposed to significant currencies risk in relation to the US Dollar. Furthermore, the Fund does not have any obligations in foreign currencies, accordingly, no hedging was performed against their obligations.

LIQUIDITY RISK

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

2022 -	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	Non-interest bearing	Total
Assets								
Bank balances	950	-	-	-	-	-	-	950
Deposits at banks and financial institutions	688,002	380,885	239,700	361,211	-	-	-	1,669,798
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	301,044	-	447,858
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	1,684,281	1,684,281
Investments in subsidiaries	-	-	-	-	-	-	301,229	301,229
Investments in associates	-	-	-	-	-	-	348,263	348,263
Financial assets at amortized cost	-	169,101	185,037	118,352	1,303,388	6,093,813	-	7,869,691
Due from related parties	-	-	-	-	-	-	30,144	30,144
Investments properties	-	-	-	-	-	-	817,164	817,164
Investments in joint operations	-	-	-	-	-	-	15	15
Investments in hotels	-	-	-	-	-	-	271,092	271,092
Property and equipment	-	-	-	-	-	-	5,453	5,453
Other assets	-	-	-	-	-	-	211,187	211,187
Total Asset	691,803	562,513	442,718	499,659	1,396,747	6,394,857	3,814,954	13,803,251
Social Security Corporation equity and Liabilities								
Social Security Corporation Equity -								
Social Security Corporation current account	-	-	-	-	-	-	7,026,832	7,026,832
Social Security Corporation current account – Unemployment Fund	-	-	-	-	-	-	84,910	84,910
Fair value reserve	-	-	-	-	-	-	720,823	720,823
Accumulated surplus of revenues over expenses	-	-	-	-	-	-	5,949,500	5,949,500
Total Social Security Corporation Equity	-	-	-	-	-	-	13,782,065	13,782,065
Liabilities -								
Other liabilities	-	-	-	-	-	-	20,651	20,651
Income tax provision	-	-	535	-	-	-	-	535
Total liabilities	-	-	535	-	-	-	21,186	21,186
Total Social Security Corporation Equity and Liabilities	-	-	535	-	-	-	13,803,251	13,803,251

(IN THOUSANDS OF JORDANIAN DINARS)

2021 -	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	Non-interest bearing	Total
Assets								
Bank balances	491	-	-	-	-	-	-	491
Deposits at banks and financial institutions	474,651	296,038	606,808	180,516	-	-	-	1,558,013
Financial assets at fair value through profit or loss	-	-	-	-	-	-	135,724	135,724
Loans and granted debts	311	12,505	15,070	18,121	85,299	280,836	-	412,142
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	1,354,896	1,354,896
Investments in subsidiaries	-	-	-	-	-	-	281,250	281,250
Investments in associates	-	-	-	-	-	-	268,948	268,948
Financial assets at amortized cost	-	14,999	277,916	155,880	1,052,507	5,573,659	-	7,074,961
Due from related parties	-	-	-	-	-	-	36,647	36,647
Investments properties	-	-	-	-	-	-	748,155	748,155
Investments in joint operations	-	-	-	-	-	-	15	15
Investments in hotels	-	-	-	-	-	-	271,092	271,092
Property and equipment	-	-	-	-	-	-	5,658	5,658
Other assets	-	-	-	-	-	-	193,213	193,213
Total Asset	475,453	323,542	899,794	354,517	1,137,806	5,854,495	3,295,596	12,341,203
Social Security Corporation equity and Liabilities								
Social Security Corporation Equity -								
Social Security Corporation current account	-	-	-	-	-	-	6,593,228	6,593,228
Social Security Corporation current account – Unemployment Fund	-	-	-	-	-	-	183,464	183,464
Fair value reserve	-	-	-	-	-	-	295,626	295,626
Accumulated surplus of revenues over expenses	-	-	-	-		-	5,263,568	5,263,568
Total Social Security Corporation Equity	-	-	-	-	-	-	12,335,886	12,335,886
Liabilities -								
Other liabilities	-	-	-	-	-	-	5,045	5,045
Income tax provision	-	-	272	-	-	-	-	272
Total liabilities	-	-	272	-	-	-	5,045	5,317
Total Social Security Corporation Equity and Liabilities	-	-	272	-	-	-	12,340,931	12,341,203

(IN THOUSANDS OF JORDANIAN DINARS)

(30) SEGMENT INFORMATION

Assets and liabilities are distributed according to business segments as follows:

	2022		2021	
	Assets	Liabilities	Assets	Liabilities
Business segments				
Financial investments	12,118,983	-	10,816,986	-
Investments in associates	348,263	-	268,946	-
Investment property	817,164	-	748,155	-
Investment in hotels	271,092	-	271,092	-
Others	247,749	21,186	236,024	5,317
	13,803,251	21,186	12,341,203	5,317

The Fund and its subsidiaries mainly operate in the Hashemite Kingdom of Jordan and its assets and liabilities are distributed according to the following geographical regions:

	2022		2021	
	Assets	Liabilities	Assets	Liabilities
Geographical region				
Inside the Kingdom	13,790,198	21,186	12,330,631	5,317
Arab countries (note 6)	13,053	-	10,572	-
	13,803,251	21,186	12,341,203	5,317

The Fund's revenues and capital expenses are distributed according to business sectors as follows:

	2022		2021	
	Revenues	Expenses	Revenues	Expenses
Business segments				
Financial investments	632,634	-	569,020	-
Investments in associates	20,467	-	9,253	-
Investment property	44,308	-	15,784	-
Others	(8,477)	3,959	4,420	4,440
	688,932	3,959	598,477	4,440

(IN THOUSANDS OF JORDANIAN DINARS)

The following table sets out the distribution of the Fund's revenues and capital expenses inside and outside Jordan:

	Inside Jordan		Outside Jordan		Total	
	2022	2021	2022	2021	2022	2021
Total revenues	685,850	594,681	3,082	3,995	688,932	598,676
Capital expenses	73	128	-	-	73	128
Depreciation expenses	265	233	-	-	265	233

(31) CONTINGENT LIABILITIES

Contingent liabilities and commitments of the Fund as at 31 December 2022 are as follows:

Letters of credit and letters of guarantee amounting to Zero JD without cash collateral as at 31 December 2022 (31 December 2021: Zero JD).

(32) LAWSUITS

As at 31 December 2022, the Fund was defendant in a number of lawsuits which amounted to JD 1,104 thousand (31 December 2021: JD 1,004 thousand). The opinion of the Fund and the legal councelor that the recorded provision of JD 1,024 thousand (note 17) is sufficient for any future commitments against these lawsuits.

(33) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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 is effective for reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. 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 Fund.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020, 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.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Fund 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 Separate Financial Statement of the Fund.

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 for annual reporting periods beginning on or after 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 are not expected to have a material impact on the Separate Financial Statement of the Fund.

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 to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Fund is currently assessing the impact of the amendments to determine the impact they will have on the Fund's accounting policy disclosures.

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 for annual reporting periods beginning on or after 1 January 2023. Early adoption is permitted.

The Fund is currently assessing the impact of the amendments to determine the impact they will have on the Fund's accounting policy disclosures.

Consolidated Financial Statements 2022

Building a better
working world

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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 2022, 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 a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the 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.

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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 financial statement.

ERNST & YOUNG
Amman - Jordan

Amman – Jordan
1 August 2023

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022
(IN THOUSANDS OF JORDANIAN DINARS)

	Notes	2022	2021
Assets			
Cash and bank balances	3	31,906	12,076
Deposits at banks and financial institutions	4	1,758,150	1,623,089
Financial assets at fair value through profit or loss	5	146,126	135,724
Loans and granted debts, net	6	397,735	347,241
Financial asset at fair value through other comprehensive income	7	1,743,436	1,441,677
Investments in associates	8	518,134	482,480
Financial assets at amortized cost	9	7,869,691	7,074,961
Subscribers' contributions and rural fils assets	10	202,041	201,928
Projects in progress	11	120,836	109,982
Inventories	12	36,349	25,723
Property and equipment, net	13	376,659	376,592
Investment properties	14	862,192	797,814
Investments in joint operations	15	15	15
Due from a related party	37	251	-
Intangible assets, net	16	69,629	55,630
Other assets	17	442,286	582,475
Total assets		14,575,436	13,267,407
Liabilities and Equity			
Liabilities-			
Subscribers' contributions and rural fils liabilities	10	202,041	201,928
Electricity service subscribers' deposits	18	85,456	79,159
Advance payments from electricity subscribers	19	22,550	18,940
Due to National Electric Power Company	20	227,537	331,237
Bank loans	21	70,629	49,411
Income tax provision	44	10,034	6,038
End of service indemnity provision	22	22,333	18,720
Due to banks	23	40,355	83,436
Due to related parties	37	55	-
Other liabilities	24	202,187	158,779
Total liabilities		883,177	947,648
Equity-			
Social Security Corporation Equity-			
Social security corporation current account		6,972,968	6,542,251
Social security corporation current account – unemployment fund	27	84,910	183,464
Property and equipment revaluation reserve	25	31,812	31,812
Fair value reserve, net	26	577,896	280,782
Cash flow hedges reserve		4,469	(3,764)
Surplus of revenues over accumulated expenses		5,966,777	5,241,263
Net Social Security Corporation Equity		13,638,832	12,275,808
Non-controlling interest		53,427	43,951
Net Equity		13,692,259	12,319,759
Total liabilities and equity		14,575,436	13,267,407

The attached notes from 1 to 45 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 2022
(IN THOUSANDS OF JORDANIAN DINARS)

	Notes	2022	2021
Operating revenues -			
Hotels		35,525	19,839
Press and publication		5,468	5,270
Energy		583,919	563,277
Commercial		55,955	27,442
Others		8,408	2,969
Gross revenues		689,275	618,797
Cost of revenues		(519,781)	(495,060)
Net operating revenues	29	169,494	123,737
Interest income	30	532,655	486,047
Gains on financial assets at fair value through profit or loss	31	10,542	40,983
Group's share of associates' net operating results	8	45,648	25,043
Gains on investment properties, net	32	39,661	14,601
Cash dividends distribution	33	84,958	43,646
Other revenues		28,599	36,047
Net revenues		911,557	770,104
Expenses-			
General and administrative expenses	34	(91,515)	(76,174)
Energy and maintenance expenses		(6,329)	(5,634)
Selling and distribution expenses		(5,789)	(4,878)
Depreciation of property and equipment	13	(30,189)	(30,215)
Amortization of intangible assets	16	(3,725)	(2,806)
Provision for expected credit losses		(17,164)	(2,149)
Provision for slow-moving inventory	12	(856)	(1,043)
Finance cost	35	(6,848)	(30,122)
Provision from contingent liabilities		(6)	(1,132)
Other expenses		(1,378)	(2,073)
Total expenses		(163,799)	(156,226)
Surplus of revenues over expenses for the year before income tax		747,758	613,878
Income tax expense	44	(11,233)	(6,553)
Surplus of revenues over expenses for the year		736,525	607,325
Attributable to:			
Social Security Investment Fund		723,776	604,655
Non-controlling interest		12,749	2,670
		736,525	607,325

The attached notes from 1 to 45 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 2022
(IN THOUSANDS OF JORDANIAN DINARS)

	2022	2021
Surplus of revenues over expenses for the year	736,525	607,325
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	296,068	368,029
Group's share of net loss of hedging cash flow	11,761	4,734
Total comprehensive income for the year	1,044,354	980,088
Attributable to:		
Social Security Investment Fund	1,028,028	975,931
Non-controlling interest	16,326	4,157
	1,044,354	980,088

The attached notes from 1 to 45 represent part of these consolidated financial statements

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022
(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
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
2021-									
Balance as at 1 January 2021	6,407,251	174,725	31,812	(105,193)	(7,078)	4,663,360	11,164,877	42,539	11,207,416
Surplus of revenues over expenses for the year	-	-	-	-	-	604,655	604,655	2,670	607,325
Change in fair value of financial assets through other comprehensive income	-	-	-	367,962	-	-	367,962	67	368,029
Group's share of cash flow hedges reserve (note 8)	-	-	-	-	3,314	-	3,314	1,420	4,734
Realized gains on sale of financial assets through other comprehensive income	-	-	-	18,013	-	(18,013)	-	-	-
Cash transferred during the year, net	135,000	-	-	-	-	-	135,000	-	135,000
Unemployment Funds' share of The Investment Funds' returns	-	8,739	-	-	-	(8,739)	-	-	-
Dividends from non-controlling interest	-	-	-	-	-	-	-	(2,745)	(2,745)
Balance as at 31 December 2021	6,542,251	183,464	31,812	280,782	(3,764)	5,241,263	12,275,808	43,951	12,319,759

The attached notes from 1 to 45 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 2022
(IN THOUSANDS OF JORDANIAN DINARS)

	Notes	2022	2021
Operating activities			
Surplus of revenues over expenses for the year before income tax		747,758	613,878
Adjustments -			
Depreciation of property and equipment	13	30,189	30,215
Amortization of intangible assets	16	3,725	2,806
End of service indemnity provision	34	4,173	3,715
Group's share of associates' net operating results	8	(45,648)	(25,043)
Gains of revaluation of financial assets at fair value through profit or loss	31	(10,532)	(40,897)
Realized gains on sale of financial assets at fair value through profit or loss	31	(11)	(88)
Provision for slow-moving inventory	12	856	1,043
Provision for expected credit losses		23,784	3,546
Recovered from provision for expected credit losses		(6,620)	(1,397)
Gains on investment property valuation at fair value	32	(36,309)	(11,857)
Finance costs		6,848	30,122
Provision for contingent liabilities	24	6	1,132
Working capital changes-			
Deposits at banks and financial institutions with maturity of more than three months		612,091	(132,866)
Financial assets at fair value through profit or loss		141	422
Inventories		(11,482)	9,719
Other assets		103,263	(131,266)
Due from related parties		(251)	38
Electricity service subscribers' deposits		6,297	5,125
Advance payments from electricity subscribers		3,610	1,702
Due to National Electric Power Company		(103,700)	83,004
Due to related parties		55	-
Other liabilities		43,402	13,384
Payments of end of service indemnity	22	(1,600)	(2,452)
Income tax paid	44	(7,359)	(6,427)
Net cash flows from operating activities		1,362,686	447,558
Investing activities			
Financial assets at fair value through other comprehensive income		(7,350)	(643)
Financial assets at amortized cost		(788,110)	(502,819)
Investments in associates	8	5,240	4,467
Dividends received from associates	8	18,174	7,779
Investment properties	14	(13,200)	(18,270)
Property and equipment and projects in progress, net		(40,070)	(34,420)
Loans and granted debts		(50,839)	(19,095)
Investments in joint operations		-	(2)
Intangible assets	16	(17,724)	(419)
Net cash flows used in investing activities		(893,879)	(563,422)
Financing activities			
Net amounts transferred from Social Security Corporation		334,996	135,000
Bank loans		21,218	(4,854)
Change in non-controlling interest		(6,850)	(2,745)
Finance costs paid		(6,848)	(30,122)
Net cash flows from financing activities		342,516	97,279
Net increase (decrease) in cash and cash equivalents		811,323	(18,585)
Cash and cash equivalents at 1 January		277,266	295,851
Cash and cash equivalents at 31 December	36	1,088,589	277,266

The attached notes from 1 to 45 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, and in accordance with the Social Security Corporation's Board of Directors Decision No. 1/2003 dated 2 January 2003, the balances of investment accounts and their other related accounts were transferred from the Social Security Corporation records to the records of the Social Security Investment Fund.

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 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 2022 have been approved by the Board of Investment on its meeting held on 26 June 2023.

(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 Group") as at 31 December 2022. The subsidiaries that have been included in the consolidated financial statements are as follows:

	Sector	Paid in capital		Percentage of Ownership	
		2022	2021	2022	2021
				%	%
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	57.1
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	1,726,202	1,986,499	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	100,000	100	100
Al-Daman Investment and Agricultural Industries Private Shareholding *****	Agricultural investments	6,200,000	5,219,310	100	100

* The General Assembly of the United Travelling Center LLC decided in its extraordinary meeting held on 17 February 2021 to reduce its capital by JD 2,667,840, so that the quoted and paid in capital becomes JD 1,986,499, in order to extinguish the accumulated losses with the amount of JD 1,292,914, and an amount of JD 1,374,962 was returned to the Investment Fund.

The General Assembly of the United Travelling Center LLC decided in its extraordinary meeting held on 17 April 2022 to reduce its capital by JD 260,297, so that the quoted and paid in capital becomes JD 1,726,202, in order to extinguish the accumulated losses with the amount of JD 85,514, and an amount of JD 174,783 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.

(IN THOUSANDS OF JORDANIAN DINARS)

*** 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

***** The General Assembly of Al Daman for Agriculture and Investment approved in its extraordinary meeting held on 16 June 2021 to increase the Company's paid-in capital by an amount of JD 4,719,310 to become JD 5,219,310.

On 25 April 2022, the Company has paid the unpaid portion of the capital amounting to JD 980,790 to become JD 6,200,000.

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
- Amman Cham Palace Hotel – Amman
- 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 in the consolidated financial statements 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, revenues and expenses of a subsidiary acquired or disposed of 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 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 2021 except for the adoption of new amendments on the standards effective as of 1 January 2022 shown below:

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

These amendments had no impact on the consolidated financial statements of the Group.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the consolidated financial statements of the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the consolidated financial statements of the Group.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the consolidated financial statements of the Group.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

These amendments had no impact on the consolidated financial statements of the Group.

IAS 41 Agriculture – Taxation in fair value measurements
As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the consolidated financial statements of the Group.

(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. 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 Group 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, or 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.

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 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 recognizes a provision for expected credit losses for all debt instruments not held at fair value, in the statement of profit or loss. Expected credit losses rely on the difference between accrued contracted 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
Furniture and fixtures	9-25
Meters, cables, and pumps	10
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.

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 as finance costs 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 Company 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, 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 (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 and granted debts in accordance with the nature of each case. 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 associate 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.

Under the equity method, investments in an associate is initially recognized at cost. 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 not 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 provided 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 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 comprise cash on hand, balances with the Central Bank of Jordan and balances with banks and financial institutions maturing within three months net of bank overdrafts.

Subscribers' contributions assets and liabilities

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

Amortization of these assets is calculated on a straight-line basis 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 non-current asset as "Rural fils assets" and is offset with a liability under the term "Rural files liabilities" carrying the same amount, and that is to conform with the legislations. Depreciation and amortization of those assets and liabilities is calculated on a straight-line basis at annual rate of 4%. The depreciation and amortization of assets and liabilities of rural files are offset, and accordingly has no impact on 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 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 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:

	2022	2021
Cash on hand	19,573	570
Current accounts and deposits on demand*	12,333	11,506
	31,906	12,076

* This item includes the amount of JD 144 thousand of current accounts related to the Unemployment Fund as at 31 December 2022 (31 December 2021: JD 113 thousand).

- Current accounts do not include balances with foreign banks and financial institution as at 31 December 2022 and 2021.
- There were no restricted balances as at 31 December 2022 and 2021.

(4) DEPOSITS AT BANKS AND FINANCIAL INSTITUTIONS

This item consists of the following:

	2022	2021
Deposits maturing within 3 months or less	1,097,038	348,626
Deposits maturing within 3 to 6 months	275,615	648,856
Deposits maturing within 6 to 12 months	396,691	635,541
	1,769,344	1,633,023
Less: provision for expected credit losses*	(11,194)	(9,934)
	1,758,150	1,623,089

- Interest rates on Jordanian Dinar deposits range between 2.75% to 6.4% for the year ended at 31 December 2022 and from 2.95% to 4.5% for the year ended at 31 December 2021.
- There are no balances with foreign banks and financial institutions and there are no restricted balances as at 31 December 2022 and 2021.
- Deposits include an amount of JD 173 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) (2021: JD 174 million).

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

	2022	2021
Balance as at 1 January	9,934	10,208
Provision (recovered from) during the year	1,260	(274)
Balance as at 31 December	11,194	9,934

	2022				2021
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	9,934	-	-	9,934	10,208
Provision (recovered from) during the year	1,260	-	-	1,260	(274)
Balance as at 31 December	11,194	-	-	11,194	9,934

(IN THOUSANDS OF JORDANIAN DINARS)

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

This item consists of the following:

	2022	2021
Quoted shares:		
Local	133,073	125,152
Foreign	13,053	10,572
	146,126	135,724

(6) LOANS AND GRANTED DEBTS, NET

This item consists of the following:

	2022	2021
Direct loans	355,194	303,724
Syndicated loans	32,287	37,679
Housing loans and others	16,102	11,341
	403,583	352,744
Less: provision for expected credit losses*	(5,848)	(5,503)
Net loans and granted debts	397,735	347,241

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	355,194	3.5 – 8.39	1 January 2040	Governmental, real estate, legal
Syndicated loans	32,287	8.43 – 10.75	14 June 2028	Governmental, investment mortgage, legal
Housing loans and others	16,102	4.75	31 December 2056	Real estate
	403,583			

Non-performing loans and debts amounted to JD 1,924 thousand representing 0.48% of loans and granted debts as at 31 December 2022. A provision was provided in full against those loans (2021: JD 1,924 thousand representing 0.55% of loans and granted debts).

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

	2022				2021
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	3,579	-	1,924	5,503	6,626
Provision (recovered from) during the year	345	-	-	345	(1,123)
Balance as at 31 December	3,924	-	1,924	5,848	5,503

(IN THOUSANDS OF JORDANIAN DINARS)

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

This item consists of the following:

	2022	2021
Financial assets - Quoted shares*:		
Quoted shares – local	1,637,216	1,308,118
Quoted shares – foreign	58,763	86,484
	1,695,979	1,394,602
Financial assets - Unquoted shares:	46,645	43,308
Other financial assets:		
Investments in mutual funds – USD	812	3,767
Total financial assets at fair value through other comprehensive income	1,743,436	1,441,677

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

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

	Ratio	2022	Ratio	2021
	%		%	
Manufacturing sector	50.5	856,758	40.5	566,288
Banking sector	48	813,512	57.6	802,704
Services sector	1.4	24,353	1.7	23,514
Insurance sector	0.1	1,356	0.2	2,096
		1,695,979		1,394,602

(IN THOUSANDS OF JORDANIAN DINARS)

(8) INVESTMENTS IN ASSOCIATES

This item consists of the following:

	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	2022 Balance using equity method at year end	2022 Fair market value at year end	2021 Balance using equity method at year end	2021 Fair market value at year end
			%												
Listed in Amman Stock Exchange															
Jordan Kuwait Bank Public Shareholding	100,000,000	21,041,644	21.04	Banking	31 December 2022	96,052	-	-	(2,209)	3,931	(33)	97,741	52,078	96,052	42,925
Jordan Petroleum Refinery Co. Public Shareholding	100,000,000	20,399,997	20.41	Petrochemical	31 December 2022	59,784	-	-	(5,759)	21,206	557	75,788	109,160	59,784	69,082
Jordan Cement Factories Public Shareholding	60,444,460	13,207,226	21.85	Construction	31 December 2022	-	-	-	-	-	-	-	7,782	-	7,126
Jordan Telecommunication Co. Public Shareholding	187,500,000	54,150,000	28.88	Telecommunication	31 December 2022	223,596	-	-	(7,798)	12,718	-	228,516	127,253	223,596	115,881
Jordan Worsted Mill Factories Public Shareholding	15,000,000	3,004,000	20.04	Textiles	31 December 2022	9,523	-	-	(406)	428	461	10,006	6,429	9,523	6,570
Al-Sharq Investment Projects Public Shareholding	16,000,000	4,164,153	26.03	Hotel services	31 December 2022	5,122	-	-	-	218	71	5,411	7,662	5,122	8,037
Jordan Electricity Company Public Shareholding	88,232,158	18,951,306	21.48	Energy	31 December 2022	43,801	-	-	(2,002)	3,368	603	45,770	40,676	43,801	21,969
						437,878	-	-	(18,174)	41,869	1,659	463,232	351,070	437,878	271,590
Not listed in Amman Stock Exchange															
South Dead Sea Development Private Shareholding	17,000,000	5,100,000	30	Investment	31 December 2022	5,572	-	-	-	2	-	5,574	5,280	5,572	5,439
Electrical Equipment Industries LLC	3,750,000	881,250	23.5	Manufacturing	31 December 2022	903	-	-	-	48	-	951	-	903	-
Al Zanpaq Company Private Shareholding	167,000	50,100	30	Electricity generation	31 December 2022	1,125	-	360	-	332	-	1,817	-	1,125	-
Zahrat Al Salam Company Private Shareholding	167,000	50,100	30	Electricity generation	31 December 2022	1,135	(415)	360	-	328	-	1,408	-	1,135	-
Alward Aljoury Company Private Shareholding	167,000	50,100	30	Electricity generation	31 December 2022	1,232	(415)	360	-	333	-	1,510	-	1,232	-
Jordan Solar One Company Private Shareholding	100,000	30,000	30	Electricity generation	31 December 2022	879	(316)	763	-	484	-	1,810	-	879	-
Al-Zarqa Station for Electrical Power Generation Private Shareholding	50,000	20,000	40	Electricity generation	31 December 2022	33,721	(4,094)	9,918	-	2,255	-	41,800	-	33,721	-
National Company for Infrastructure Investment Private Shareholding	80,000	39,000	48.75	Investment	31 December 2022	35	-	-	-	(3)	-	32	29	35	34
						44,602	(5,240)	11,761	-	3,779	-	54,902	5,309	44,602	5,473
						482,480	(5,240)	11,761	(18,174)	45,648	1,659	518,134	356,379	482,480	277,063

(IN THOUSANDS OF JORDANIAN DINARS)

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

	Jordan Kuwait Bank	
	2022	2021
Statement of Financial Position		
Assets	3,546,939	3,005,137
Liabilities	(3,069,384)	(2,537,463)
Non-controlling interest	(1,722)	(278)
Net equity	475,833	467,396
Percentage of ownership	21.04%	21.04%
Net investment as of 31 December	97,741	96,052
Statement of Comprehensive Income		
Net Interest revenues, commissions and foreign currency	115,085	96,726
Gain (losses) on financial assets at fair value through other comprehensive income	25	(90)
Gain (losses) on financial assets at fair value through profit or loss	5,005	(304)
Cash dividends at fair value through other comprehensive income	1,666	1,069
Provision for impairment of direct credit facilities	(29,474)	(28,707)
Provision (recovery from) for credit losses	5,615	(1,894)
Employees' expenditures	(33,320)	(29,892)
Other revenues and expenses, net	(45,868)	(29,203)
Profit for the year	18,734	7,705
Attributable to Bank's shareholders	18,682	7,738
Attributable to non-controlling interests	52	(33)
Group's share of profit	3,931	1,628

(IN THOUSANDS OF JORDANIAN DINARS)

	Jordan Petroleum Refinery	
	2022	2021
Statement of Financial Position		
Current assets	1,245,823	977,062
Non-current assets	264,366	266,403
Current liabilities	(1,093,834)	(897,730)
Non-current liabilities	(78,664)	(83,107)
Non-controlling interest	(8,529)	(8,604)
Net equity	329,162	254,024
Percentage of ownership	20.41%	20.41%
Net investment as of 31 December	75,788	59,784
Statement of Comprehensive Income		
Sales	1,706,207	1,239,674
Cost of sales	(1,481,576)	(1,108,571)
Bank interests and commissions	(24,047)	(20,939)
Selling and distribution expenses	(57,017)	(51,026)
Other expenses, net	(38,485)	(6,895)
Profit for the year	105,082	52,243
Attributable to the Company's shareholders	103,953	52,028
Attributable to non-controlling interests	1,129	215
Group's share of profit	21,206	10,619

(IN THOUSANDS OF JORDANIAN DINARS)

	Jordan Telecommunication Company	
	2022	2021
Statement of Financial Position		
Current assets	187,647	181,812
Non-current assets	555,064	518,646
Current liabilities	(262,481)	(276,017)
Non-current liabilities	(181,841)	(143,082)
Net equity	298,389	281,359
Percentage of ownership	28.88%	28.88%
Net investment as of 31 December	228,516	223,596
Statement of Comprehensive Income		
Revenues	347,568	333,465
Cost of services	(125,319)	(119,005)
Administrative expenses	(26,056)	(26,726)
Selling and marketing expenses	(44,120)	(41,696)
Finance income	1,933	1,432
Other expenses, net	(109,975)	(121,346)
Profit for the year	44,031	26,124
Group's share of profit	12,718	7,545

(IN THOUSANDS OF JORDANIAN DINARS)

	Jordan Worsted Mill Factory	
	2022	2021
Statement of Financial Position		
Current assets	4,261	5,958
Non-current assets	54,355	50,897
Current liabilities	(490)	(979)
Non-current liabilities	(64)	(112)
Net equity	58,062	55,764
Percentage of ownership	20%	20%
Net investment as of 31 December	10,006	9,523
Statement of Comprehensive Income		
Sales	1,262	1,584
Cost of sales	(914)	(1,040)
Administrative expenses	(955)	(815)
Other revenue and expense, net	2,746	1,769
Profit for the year	2,139	1,498
Group's share of profit	428	300

(IN THOUSANDS OF JORDANIAN DINARS)

	Al-Sharq Investments Projects	
	2022	2021
Statement of Financial Position		
Current assets	3,370	1,542
Non-current assets	18,545	18,992
Current liabilities	(1,275)	(828)
Net equity	20,640	19,706
Percentage of ownership	26.03%	26.03%
Net investment as of 31 December	5,411	5,122
Statement of Comprehensive Income		
Operating revenues	6,636	3,679
Operating costs	(2,264)	(1,224)
Administrative expenses, maintenance, marketing and deprecation	(3,444)	(2,685)
Other revenues	177	2
Profit (loss) for the year	1,105	(228)
Group's share of profit (loss)	218	(60)

(IN THOUSANDS OF JORDANIAN DINARS)

	Jordan Electricity Company	
	2022	2021
Statement of Financial Position		
Current assets	542,607	606,007
Non-current assets	486,276	449,195
Current liabilities	(564,909)	(582,778)
Non-current liabilities	(323,851)	(339,877)
Net equity	140,123	132,547
Percentage of ownership	21.48%	21.48%
Net investment as of 31 December	45,770	43,801
Statement of Comprehensive Income		
Operating revenues	961,970	899,772
Operating costs	(798,505)	(751,273)
Administrative expenses, maintenance, marketing and deprecation	(129,442)	(122,617)
Other expenses, net	(10,490)	(10,413)
Profit for the year before tax	23,533	15,469
Income tax expense	(8,016)	(4,288)
Profit for the year	15,517	11,181
Group's share of profit	3,368	2,402

(IN THOUSANDS OF JORDANIAN DINARS)

(9) FINANCIAL ASSETS AT AMORTIZED COST

This item consists of the following:

	Average interest rates %	2022	2021
A- Government and public institution bonds			
Treasury bonds*	3.48 – 7.99	7,729,116	6,891,010
Public institutions bonds	6.41 – 6.48	21,640	36,634
		7,750,756	6,927,644
B- Bonds, debts and other securities			
Private companies' bonds and debts	4.0 - 7.0	125,567	160,569
Less: provision for expected credit losses**		(6,632)	(13,252)
		118,935	147,317
		7,869,691	7,074,961

Financial assets at amortized cost have maturity dates ranging between 1 month and 25 years.

* Treasury bonds include an amount of JD 80,015 thousand as of 31 December 2022, representing treasury bonds related to the unemployment fund (31 December 2021: JD 181,336 thousand).

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

	2022				2021
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	12,666	-	586	13,252	13,203
Provision for the year	(7,079)	-	-	(7,079)	49
Recovered during the year	-	-	459	459	-
Balance as at 31 December	5,587	-	1,045	6,632	13,252

(IN THOUSANDS OF JORDANIAN DINARS)

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

This item represents the infrastructure constructed by the subsidiaries of Kingdom Electricity Company for Energy Investment 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.

	2022	2021
Cost-		
Balance as at 1 January	397,650	381,923
Transfer from projects in progress	15,543	15,727
Balance as at 31 December	413,193	397,650
Accumulated amortization		
Balance as at 1 January	195,722	180,769
Depreciation for the year*	15,530	14,953
Balance as at 31 December	211,152	195,722
Net book value as at 31 December	202,041	201,928

* 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:

	2022	2021
Subscribers' contribution liability	147,794	148,084
Rural fils liabilities	54,247	53,844
	202,041	201,928

(IN THOUSANDS OF JORDANIAN DINARS)

(11) PROJECTS IN PROGRESS

This item consists of the following:

	2022	2021
Aqaba Touristic Beach project*	32,173	32,142
Al-Mafraq project's land infrastructure cost**	27,813	28,555
Electricity connection projects ***	22,605	18,910
Development of Duty-Free Shops on border crossings****	15,115	13,433
Crowne Plaza Resort renovation – Petra*****	12,403	9,713
Building and development of Irbid projects' Infrastructure ******	8,091	5,706
Intercontinental Hotel renovation – Aqaba	-	716
Amra Crowne Plaza renovation – Amman	-	232
Crowne Plaza Hotel – Dead Sea	-	22
Other projects in progress	2,636	553
	120,836	109,982

* This item represents the land of the touristic beach project and what is on it. The National Company for Touristic Development (subsidiary) has conducted an economic feasibility study during 2022 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 2023.

** The Company has updated the estimated cost estimate for completion of the Mafraq project by an engineering company on 5 February 2021. The total cost expected to complete this project is approximately JD 143 million. The estimated cost per square meter developer is JD 78/12 after the distribution of the estimated cost on the net land area (11.3 square kilometers). Construction is expected to be completed in 2030. The management believes that this estimate is reasonable and reflects the prices and the development cost of infrastructure for the year 2022.

*** This item represents the infrastructure projects for the delivery of electricity for companies affiliated with the Kingdom Electricity Company for Energy Investments, which are in progress as at 31 December 2022. The cost of completion of the unfinished part of the projects under progress is estimated at JD 13,175 thousand as at 31 December 2022 (31 December 2021: JD 15,545 Thousand).

**** This item represents the cost of completing Jordanian Duty Free Shop's border stores as well as the Fountain project in Aqaba. The expected cost is estimated at approximately JD 1,326 thousand as at 31 December 2022 (31 December 2021: JD 17,376 Thousand). These projects are expected to be completed during the year 2023.

***** This amount 12,403 JD This item represents Crowne Plaza Resort renovation – Petra development project. The expected cost of the project is JD 21,082 thousand and is expected to be completed during the year 2023.

****** The Company contracted with a consultation company to study the volume of demand and study the market after the Government returned those lands to the Company and the tender for the preparation of the new master plan for the North Development Company project has been submitted to specialized engineering office and was completed during the year 2019 and was approved by the Board. The estimated cost of infrastructure is approximately JD 68 million as of 31 December 2022 and is expected to be completed in 2046, based on the study provided by the consulting company.

(IN THOUSANDS OF JORDANIAN DINARS)

(12) INVENTORIES

This item consists of the following:

	2022	2021
Electricity tools, material and spare parts	22,033	18,500
Finished goods	9,576	3,963
Raw materials	702	917
Food and beverage	283	239
Goods in transit	10	224
Supplies and operational tools	4	5
Others	9,064	6,825
	41,672	30,673
Less: provision for slow moving inventory*	(5,323)	(4,950)
	36,349	25,723

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

	2022	2021
Balance as at 1 January	4,950	3,994
Provision for the year	1,043	1,043
(Recovery) provision for compensation of goods from suppliers	(243)	578
Recovered during the year	(187)	-
Inventory written off during the year	(240)	(665)
Balance as at 31 December	5,323	4,950

(IN THOUSANDS OF JORDANIAN DINARS)

(13) PROPERTY AND EQUIPMENT

This item consists of the following:

	Land	Buildings	Meters, cables, and pumps	Furniture and fixtures	Machinery and equipment	Vehicles	Additions and improvements	Computers	Electro-mechanical equipment	Sanitary extensions	Others	Total
2022-												
Cost:												
Balance as at 1 January	28,413	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
2021-												
Cost:												
Balance as at 1 January	18,915	175,221	-	47,665	400,870	17,963	4,051	42,683	46,069	11,541	7,767	772,745
Additions	393	3,483	505	298	14,196	468	41	827	814	18	624	21,667
Disposal	-	(299)	-	(160)	(3,681)	(237)	-	(69)	(201)	-	(47)	(4,694)
Transfers from projects in progress	5,213	3,066	-	32	7,205	-	-	353	8,961	-	-	24,830
Transfers from (to) properties investments	3,622	(7)	-	-	-	-	-	-	-	-	-	3,615
Balance as at 31 December	28,143	181,464	505	47,835	418,590	18,194	4,092	43,794	55,643	11,559	8,344	818,163
Accumulated depreciation:												
Balance as at 1 January	-	60,243	-	39,530	210,480	14,197	4,025	24,322	43,039	11,541	7,034	414,411
Depreciation for the year	-	4,464	2	757	17,746	1,400	2	4,049	1,683	3	109	30,215
Disposal	-	(222)	-	(100)	(2,153)	(219)	-	(157)	(199)	-	(5)	(3,055)
Balance as at 31 December	-	64,485	2	40,187	226,073	15,378	4,027	28,214	44,523	11,544	7,138	441,571
Net book value as of 31 December 2021	28,143	116,979	503	7,648	192,517	2,816	65	15,580	11,120	15	1,206	376,592

(IN THOUSANDS OF JORDANIAN DINARS)

(14) INVESTMENT PROPERTIES

This item consists of the following:

	2022	2021
Land held for investment	805,605	766,555
Buildings held for investment	56,369	31,032
Others	218	227
	862,192	797,814

Movements on investment properties during the year were as follows:

	2022	2021
Balance as at 1 January	797,814	770,269
Purchase of investment properties	13,200	18,270
Transfers to properties and equipment, net		(3,615)
Transfers from investments in joint operations*	-	1,033
Buildings built on leased land**	14,869	-
Profits on valuation of investment properties at fair value (note 32)	36,309	11,857
Balance as at 31 December	862,192	797,814

* During 2021, lands from investments in joint operations were transferred to investment property after they were sorted, and their ownership was transferred to the Fund. The lands were re-evaluated by real estate experts and were recorded at fair value.

** 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 2022 and 2021, the details of these projects were as follows:

	2022	2021
Al-Zaytuna project (1)*	15	15
	15	15

* It is expected that during 2023, the projects' lands will be transferred to investment properties.

(IN THOUSANDS OF JORDANIAN DINARS)

(16) INTANGIBLE ASSETS

2022-	Exclusive right*	Licenses**	Right of passing ***	Right to use and operate ****	Goodwill*****	Computer software	Total
Cost:							
Balance as at 1 January	8,000	39,411	8,323	4,173	28,014	394	88,315
Additions	17,697	-	16	11	-	-	17,724
Balance as at 31 December	25,697	39,411	8,339	4,184	28,014	394	106,039
Accumulated amortization:							
Balance as at 1 January	8,000	17,741	4,308	2,584	-	52	32,685
Amortization for the year	1,180	1,970	379	120	-	76	3,725
Balance as at 31 December	9,180	19,711	4,687	2,704	-	128	36,410
Net book value as of 31 December	16,517	19,700	3,652	1,480	28,014	266	69,629

2021-	Exclusive right	Licenses	Right of passing	Right to use and operate	Goodwill	Computer software	Total
Cost:							
Balance as at 1 January	8,000	39,411	8,298	4,173	28,014	-	87,896
Additions	-	-	25	-	-	394	419
Balance as at 31 December	8,000	39,411	8,323	4,173	28,014	394	88,315
Accumulated amortization:							
Balance as at 1 January	7,733	15,771	3,928	2,447	-	-	29,879
Amortization for the year	267	1,970	380	137	-	52	2,806
Balance as at 31 December	8,000	17,741	4,308	2,584	-	52	32,685
Net book value as of 31 December	-	21,670	4,015	1,589	28,014	342	55,630

* This item represents the total amount paid by Jordanian Duty Free Shops Company to the General Treasury in return for granting it the exclusive right to set up duty free markets at border crossings and seaports for a period of 10 years starting from 30 August 2001. The Company has to pay 8% of its gross sales as a service fee to the General Treasury in return for such rights. During 2009, the exclusive rights agreement was extended for an additional 10 years starting from 31 August 2011 to 30 August 2021 for a payment of JD 4 million and payment of 9% of its gross monthly sales as service fees to the General Treasury except for the sales from Special Economic Zone as its subject to the Aqaba Special Economic Zone regulations. As of 1 January 2017, the Company is committed to pay 10.5% of its monthly gross sales to the Ministry of Finance.

- 9% service tax for the General Treasury.
- 1.5% operating expenses for the Jordanian Customs Department.

The exclusive right agreement expired on 31 August 2021 to establish and operate duty-free markets at land crossings and seaports. During the year 2021, the Prime Minister's approval was issued to extend the exclusive right agreement initially until the end of 2021, and accordingly it formed a committee headed by the Minister of Justice to negotiate directly with the Jordanian Duty Free Shops Company to reach a fair price (in exchange for services and royalties for the treasury) in exchange for extending the exclusivity right agreement and for the period that the committee deems appropriate, and determines the form of contracting with the company. Subsequent to the date of these consolidated financial statements, the Council of Ministers decided on 17 April 2022, to approve the extension of the agreement for another 10 years and with different conditions and to instruct the Minister of Finance and the Minister of Investment to sign it on behalf of the Jordanian government and consider the terms of the new agreement for the exclusive right in force from the date of signing it.

The company has deducted the amounts to be paid for obtaining the exclusive right to establish duty free shops at land crossings and seaports for a period of 10 years from 1 May 2022 to the present value using a discount rate of 5,5% and recorded them as a liability in the statement of financial position.

** The item represents the fair value of the electricity distribution licenses granted by the Energy and Minerals Regulatory Authority to the subsidiaries as at the date of the grants, which is amortized over the life of the license, which is 19 years.

*** This item represents the amount of compensations paid by the Group to landowners for damages caused by the passage of power lines over their property based on the court's decision or the decline in the market value of such property. Starting from the year 2014, the Group began to extinguish the right of passage over the remaining life of the license.

**** This item represents the amount of payments made by the United Travelling Center Company for the construction and development of the United Traveling Complex start-up infrastructure as intangible assets in accordance with IFRIC 12 Service Concession Arrangements, accordingly amounts paid represent the right (license) to use and operate a public facility for 27 years.

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

1- Goodwill resulting from the acquisition of Electricity Distribution 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 2022 as follows:

   The recoverable amount for Irbid Electricity Distribution Company was determined based on the recoverable amount of the projected cash flows using the financial budget of 2022 that was approved by the Board of Directors. Cash flows after the year 2022 was calculated using a growth rate of 0.3%. Management believes that the growth rate is appropriate considering the nature of the business and overall inflation in the region. The projected cash flow was discounted at a rate of 11% and a growth rate of 1%. Based on the impairment testing results, no impairment losses were recognized as a result of the acquisition.

(IN THOUSANDS OF JORDANIAN DINARS)

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.

(17) OTHER ASSETS

This item consists of the following:

	2022	2021
Trade receivables	306,546	436,067
Accrued revenues and interests*	147,564	137,616
Prepaid expenses	27,523	28,613
Right of use assets	7,957	8,747
Checks under collection	3,816	3,315
Housing Fund deposits	2,354	2,473
Other debt balances	2,244	546
Deferred tax assets	3,698	3,107
	501,702	620,484
Less: provision for expected credit losses**	(59,416)	(38,009)
	442,286	582,475

* This item includes an amount of JD 700 thousand as of 31 December 2022, which represents accrued interests related to Unemployment Fund (31 December 2021: JD 2,022 thousand).

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

	2022	2021
Balance as at 1 January	38,009	34,550
Provision for the year	22,179	3,497
Receivables written-off	(772)	(38)
Balance as at 31 December	59,416	38,009

(IN THOUSANDS OF JORDANIAN DINARS)

	2022				2021
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	-	262	37,747	38,009	34,550
Provision for the year	-	-	22,179	22,179	3,497
Receivables written-off	-	-	(772)	(772)	(38)
Balance as at 31 December	-	262	59,154	59,416	38,009

(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.

(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 2022 (31 December 2021: JD 35,094 thousand).

(21) BANK LOANS

This item consists of the following:

	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

(IN THOUSANDS OF JORDANIAN DINARS)

	31 December 2021		
	Loan Installments		
	Short term	Long term	Total
Arab Bank	345	2,245	2,590
Jordan Kuwait Bank	50	18,667	18,717
Housing Bank for Trade and Finance	6,667	15,333	22,000
Jordan Islamic Bank	6,000	-	6,000
Jordan Commercial Bank	17	87	104
	13,079	36,332	49,411

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 2020, and on 8 July 2020 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 19 April 2021, 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 30 January 2022.

Jordan Kuwait Bank

This item represents the loan amount granted to Irbid District Electricity Company (a subsidiary of Kingdom Electricity Company for Energy Investments) in May 2015 by Jordan Kuwait Bank amounting to JD 28 million 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 2022, 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 2022. 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 2023. Interest will be at a fixed rate of 5% annually for the first year, as it was later amended to become 4.75% starting 6 June until 4 December 2022.

On 5 December 2022, the interest rate increased to 6.50% and then a variable interest rate will be applied starting 4 June 2023 equal to the interest rate applicable on the deposit window with the Central Bank of Jordan in addition to a margin of 2.5% so that the minimum total interest rate is 4.75% per annum for the life of the loan.

On 1 December 2022 the Company (Kingdom Electricity Company) has signed a loan agreement with Jordan Kuwait Bank amounting to JD 2,000,000, with interest rate of 7.75%. the loan is repayable over 3 equal amounts plus interest, the first payment is due one year from the loan granting date.

On 6 February 2020 the Jordan Press Foundation / Al Rai obtained a diminishing loan from the Jordan Kuwait Bank with an amount of JD 50 thousand, bearing an interest rate of 10.5% without commission. The purpose of the loan is to repay a portion of their overdraft balance. the loan was paid in full in 2022.

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 million, 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 payable 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 September 2023.

Kingdom Electricity Private Shareholding Company signed an agreement with the Housing Bank on 27 October 2021, to obtain financing of 2 million at an interest rate of 4.75%, provided that the loan will be repaid in 3 equal installments starting from 26 October 2022 so the due date of the last installment is on 26 October 2024. the loan was paid in full in 2022.

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 repayable over nine 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
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 energy (financing the price of electric energy) with Jordan Islamic Bank to pay part of the electricity purchase bill from the National Electric Power Company with a credit limit including profit of 25 million dinars against an agreed annual profit rate of 4.3% (2021: 4.9%). The full loan amount will be repaid during 2023.

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 July 26, 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:

	2022	2021
Balance as at 1 January	18,720	16,538
Provision for the year*	5,213	4,634
Paid during the year	(1,600)	(2,452)
Balance as at 31 December	22,333	18,720

* Kingdom Electricity Company for Energy Investments (subsidiary) capitalized an amount of JD 1,040 thousand to projects in progress as of 31 December 2022 (31 December 2021: JD 919 thousand).

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

	2022	2021
Expenses in the consolidated statement of revenues and expenses (note 34)	4,173	3,715
Capitalized to projects in progress	1,040	919
	5,213	4,634

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

	2022	2021
Deduction rate	5%	5%
Mortality rate	0.19%	0.19%
Annual increments to salaries rate	6%	6%
Resignation rate	2%	3%
The percentage of the Company's contribution to social security net of employees' end of service indemnity	8%	8%

(IN THOUSANDS OF JORDANIAN DINARS)

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	2022	2021
Deduction	(1,096)	(1,254)
Salaries	1,568	1,669
Resignations	528	486

	Impact on the current value of employees' end of service indemnity provision	
Decrease by a rate of 1% in	2022	2021
Deduction	1,345	1,534
Salaries	(1,230)	(1,318)
Resignations	(528)	(486)

(23) DUE TO BANKS

This item represents credit facilities granted to Kingdom Electricity Company for Energy Investments and its subsidiaries from local banks, in addition to amounts granted to Jordan Press Foundation / AL-Rai and National Company for Touristic Development with annual interest rates that ranges between 4.77% and 8.75% per year (2021 between 4.77% to 8.75% per year). The aggregate ceilings for these facilities amounted to JD 122 million as at 31 December 2022 (31 December 2021: JD 107 million).

(24) OTHER LIABILITIES

This item consists of the following:

	2022	2021
Trade payables	51,214	39,405
Revenues and grants received in advance	42,430	30,405
Lease contract obligations	8,916	9,486
Waste fees	11,329	10,302
Governmental provisions and fees	21,427	10,045
Contingent liabilities provision*	4,576	4,570
Rural fils payable	6,068	6,358
Due to the Ministry of Finance – television fees	5,667	5,303
Projects deposits	2,957	2,957
Accrued expenses	6,927	5,717
Contractors' payables and retentions	816	1,075
Other credit balances	39,860	33,156
	202,187	158,779

(IN THOUSANDS OF JORDANIAN DINARS)

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

	2022	2021
Balance as at 1 January	4,570	3,476
Provision for the year	6	1,132
Paid during the year	-	(38)
Balance as at 31 December	4,576	4,570

(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 1 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:

	2022	2021
Balance as at 1 January	280,782	(105,193)
Change in fair value of financial assets through other comprehensive income	296,019	367,962
Gains realized from sale of financial assets through other comprehensive income	1,095	18,013
Balance as at 31 December	577,896	280,782

(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.

(IN THOUSANDS OF JORDANIAN DINARS)

Movements on the account during the year were as follows:

	2022	2021
Balance as at 1 January	183,464	174,725
Net cash transferred during the year to the Corporation to Unemployment Fund	(36,200)	-
Unemployment fund's share of Investment Fund's returns for the year	6,211	8,739
Reclassification of the Social Security Corporation current account and Unemployment Fund	(68,565)	-
Balance as at 31 December	84,910	183,464

(28) MATERIAL PARTIALLY OWNED SUBSIDIARIES

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

Company name	Country	Nature of activity	Percentage of non-controlling interest 2022	2021
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.

	2022	2021
Accumulated balance for non-controlling interest		
Kingdom Electricity for Energy Investments	24,621	17,181
Jordan Press Foundation / Al-Rai	-	240
Jordanian Duty Free Shops	21,638	19,947
Al Daman for Investment	4,076	3,933
Al Daman for Development	3,092	2,650
	53,427	43,951

	2022	2021
Material gains (losses) attributable to non-controlling interests		
Kingdom Electricity for Energy Investments	11,149	5,917
Jordan Press Foundation / Al-Rai	(240)	(1,887)
Jordanian Duty Free Shops	9,189	69
Al Daman for Investment	136	49

(IN THOUSANDS OF JORDANIAN DINARS)

	Kingdom Electricity for Energy Investments	
Condensed statement of financial position	2022	2021
Current assets	312,779	410,372
Non-current assets	545,819	523,702
Current liabilities	(388,034)	(494,095)
Non-current liabilities	(383,797)	(380,207)
Net equity	86,767	59,772
Share of non-controlling interests in equity	24,621	17,181
Condensed statement of comprehensive income		
Operating revenues	583,919	563,277
Operating expenses	(461,839)	(464,925)
Administrative expenses	(16,502)	(15,163)
Late interest charges	(9,434)	(22,490)
Finance cost	(7,782)	(8,550)
Other expenses, net	(53,475)	(37,548)
Income for the year before income tax	34,887	14,601
Income tax	(9,379)	(5,321)
Income for the year	25,408	9,280
Other comprehensive income items	11,756	4,734
Total comprehensive income for the year	37,164	14,014
Attributable to the Company's shareholders	28,579	11,567
Attributable to non-controlling interests	8,585	2,447
Non-controlling interests' share of operating results	11,149	5,917
Condensed statement of cash flows:		
Operating activities	121,506	41,032
Investing activities	(41,060)	(32,085)
Financing activities	(1,024)	(19,703)
Net increase (decrease) in cash and cash equivalents	79,422	(10,756)

(IN THOUSANDS OF JORDANIAN DINARS)

	Jordan Press Foundation / AL-Rai	
Condensed statement of financial position	2022	2021
Current assets	2,812	3,151
Non-current assets	22,385	24,820
Current liabilities	(22,761)	(21,003)
Non-current liabilities	(3,514)	(6,436)
Net equity	(1,078)	532
Share of non-controlling interests in equity	-	240
Condensed statement of comprehensive income		
Revenue	5,468	5,271
Cost of revenues	(5,871)	(6,184)
Administrative expenses	(1,697)	(2,207)
Selling and distribution expenses	(142)	(174)
Other revenue (expenses), net	632	(893)
Loss for the year	(1,610)	(4,187)
Other comprehensive income items	-	-
Total comprehensive income for the year	(1,610)	(4,187)
Non-controlling interests' share of operating results	(726)	(1,887)
Condensed statement of cash flows		
Operating activities	(315)	915
Investing activities	(9)	(6)
Financing activities	(289)	(265)
Net (decrease) increase in cash and cash equivalents	(613)	644

(IN THOUSANDS OF JORDANIAN DINARS)

	Jordanian Duty Free Shops	
	2022	2021
Condensed statement of financial position		
Current assets	36,129	27,185
Non-current assets	46,500	29,221
Current liabilities	(10,912)	(3,943)
Non-current liabilities	(21,289)	(5,977)
Net equity	50,428	46,486
Share of non-controlling interests in equity	21,638	19,947
Condensed statement of comprehensive income		
Sales	55,955	27,442
Cost of sales	(22,605)	(16,595)
Administrative expenses	(5,450)	(4,299)
Selling and distribution expenses	(4,100)	(3,647)
Other expenses, net	(2,386)	(2,499)
Profit for the year before tax	21,414	402
Income tax expense	(357)	(240)
Profit for the year	21,057	162
Other comprehensive income items	-	-
Total comprehensive income for the year	21,057	162
Non-controlling interests' share of operating results	9,189	69
Condensed statement of cash flows:		
Operating activities	12,276	14,439
Investing activities	(7,598)	(10,725)
Financing activities	(6,405)	(3,074)
Net increase in cash and cash equivalents	1,727	640

(IN THOUSANDS OF JORDANIAN DINARS)

	Al Daman for Investment	
Condensed statement of financial position	2022	2021
Current assets	3,312	3,090
Non-current assets	8,864	8,681
Current liabilities	(1,635)	(1,582)
Net equity	10,541	10,189
Share of non-controlling interests in equity	4,076	3,933
Condensed statement of comprehensive income		
Operating revenues	485	456
Operating expenses	(322)	(280)
Administrative expenses	(186)	(155)
Share of associate's results	218	(60)
Other revenues and expenses, net	31	(10)
Profit (loss) for the year	226	(49)
Other comprehensive income items	126	175
Total comprehensive income for the year	352	126
Non-controlling interests' share of operating results	136	49
Condensed statement of cash flows:		
Operating activities	157	(11)
Investing activities	300	94
Financing activities	(102)	(103)
Net increase (decrease) in cash and cash equivalents	355	(20)

(IN THOUSANDS OF JORDANIAN DINARS)

(29) NET OPERATING REVENUES

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

2021-	Hotels sector	Press and publishing sector	Power sector	Commercial sector	Other sectors	Total sectors
Operating revenues	19,839	5,270	563,277	27,442	2,969	618,797
Operating expenses	(8,865)	(4,099)	(464,925)	(16,595)	(576)	(495,060)
Net operating revenues	10,974	1,171	98,352	10,847	2,393	123,737

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

2022-	Amrah Crowne Plaza – Amman	Crowne Plaza-Petra	InterContinental – Aqaba	Amman Cham Palace – Amman	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

2021-	Amrah Crowne Plaza – Amman	Crowne Plaza-Petra	InterContinental – Aqaba	Amman Cham Palace – Amman	Holiday Inn – Dead Sea	Crowne Plaza Dead Sea	Total
Operating revenues	4,021	1,126	5,751	-	3,533	5,408	19,839
Operating expenses	(1,866)	(420)	(2,065)	-	(1,739)	(2,755)	(8,865)
Net operating revenues	2,135	706	3,686	-	1,794	2,653	10,974

(IN THOUSANDS OF JORDANIAN DINARS)

(30) INTEREST INCOME

This item consists of the following:

	2022	2021
Interest on bonds and treasury bills*	437,978	408,110
Interest on balances and deposits at banks and financial institutions*	73,908	58,862
Interest on loans and granted debts	20,769	19,075
	532,655	486,047

* These items contain an amount of JD 6,215 thousand as of 31 December 2022 representing interest income for the unemployment fund (2021: JD 8,766 thousand).

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

This item consists of the following:

	2022	2021
Realized gains	11	88
Unrealized revaluation gains	10,532	40,897
Commissions on purchasing and selling of financial assets	(1)	(2)
	10,542	40,983

(32) GAINS ON INVESTMENT PROPERTIES, NET

This item consists of the following:

	2022	2021
Revenues:		
Leased properties revenue	3,736	3,254
Expenses:		
Management fees, evaluation and other fees	(384)	(510)
Change in fair value:		
Gains on investment properties valuation at fair value (note 14)	36,309	11,857
	39,661	14,601

(33) DIVIDENDS DISTRIBUTION

This item consists of the following:

	2022	2021
Dividends from financial assets through other comprehensive income	77,083	36,850
Dividends from financial assets through profit or loss	7,875	6,796
	84,958	43,646

(IN THOUSANDS OF JORDANIAN DINARS)

(34) GENERAL AND ADMINISTRATIVE EXPENSES

This item consists of the following:

	2022	2021
Salaries, wages and employees' benefits	54,902	50,177
End of service indemnity (note 22)	4,173	3,715
Vehicles, travel and transportation expenses	3,959	2,911
Board of Director's remuneration and transportation	1,605	2,419
Governmental fees and licenses	4,090	1,805
Rent	310	1,264
Professional and consultancy fees	2,053	1,143
Spare parts and material	1,162	979
Insurance expense	944	958
Interest on lease contracts obligations	651	790
Depreciation on right of use asset	767	744
Electricity, water and fuel	843	729
Telephone and mail	845	695
Penalties for late payments of invoices	409	506
Benefits of late bill payments	9,434	-
Stationery and printings	636	317
Hotels supervision and operating fees	760	208
Repair and maintenance	194	166
Training and courses expense	248	105
Others	3,530	6,543
	91,515	76,174

(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 6,848 thousand as at 31 December 2022 (2021: JD 30,122 thousand).

(36) CASH AND CASH EQUIVALENTS

This item consists of the following:

	2022	2021
Cash on hand, current and on demand accounts (note 3)	31,906	12,076
Deposits maturing within three months or less (note 4)	1,097,038	348,626
	1,128,944	360,702

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

	2022	2021
Cash and cash equivalents	1,128,944	360,702
Due to banks (note 23)	(40,355)	(83,436)
	(1,088,589)	277,266

(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:

	2022				2021
Consolidated Statements of financial position items	Parent	Associates	Others	Total	Total
Assets and liabilities:					
Bank balances and deposits-					
Jordan Kuwait Bank (current account)	-	186	-	186	3
Jordan Kuwait Bank (deposits)	-	63,000	-	63,000	67,700
Due from a related party					
InterContinental Hotels Group	-	251	-	251	-
				63,437	67,703
Due to related parties	-	55	-	55	-
				55	-
Loans-					
Social Security Corporation	120,000	-	-	120,000	100,000
Jordan Kuwait Bank (Note 21)	-	20,667	-	20,667	18,717
Consolidated statement of revenue and expenses items					
Interest-					
Deposits at Jordan Kuwait Bank	-	2,294	-	2,294	1,487
Social Security Corporation	4,027	-	-	4,027	4,044
Executive management salaries and remunerations	-	-	708	708	2,419
Investment Board remunerations	-	-	115	115	119
Cash dividends-					
Jordan Petroleum Refinery Co.	-	5,444	-	5,444	1,019
The Jordan Worsted Mills Factory	-	406	-	406	421
Jordan Telecommunication Co.	-	7,798	-	7,798	5,415
Jordanian Electric Power Co.	-	1,687	-	1,687	924

(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.

(IN THOUSANDS OF JORDANIAN DINARS)

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

Interest rate risk is the risk that results from changes in market value or future cash flows of financial instruments as a result of changes in interest rate.

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 Group'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 Group's liabilities due dates.

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:

2022-

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

2021-

Currency			
	%		
JD	1	86,758	86,758
USD	1	3,815	3,815

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:

2022-	Change in indicator	Effect on surplus of revenues over expenses for the year	Effect on Social Security Corporation equity
	%		
Indicator			
Amman Stock Exchange	5	6,654	88,514
Palestine Stock Exchange	5	653	653
London Stock Exchange	5	-	2,938
		7,307	92,105
2021-			
Indicator			
Amman Stock Exchange	5	6,258	71,664
Palestine Stock Exchange	5	529	529
London Stock Exchange	5	-	4,324
		6,787	76,517

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 Jordanian 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.

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.

(IN THOUSANDS OF JORDANIAN DINARS)

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

2022-	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	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 payments from electricity subscribers	-	-	-	-	-	-	22,550	22,550
Due to National Electric Power Company	-	-	-	-	-	-	227,537	227,537
Bank loans	-	-	-	-	-	-	70,629	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	-	-	-	-	-	-	883,177	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	-	-	-	-	-	-	14,575,436	14,575,436

(IN THOUSANDS OF JORDANIAN DINARS)

2021-	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	12,076	-	-	-	-	-	-	12,076
Deposits at banks and financial institutions	474,651	296,038	606,808	245,592	-	-	-	1,623,089
Financial assets at fair value through profit or loss	-	-	-	-	-	-	135,724	135,724
Loans and granted debts	311	12,504	15,070	18,121	85,299	215,936	-	347,241
Financial asset at fair value through other comprehensive income	-	-	-	-	-	-	1,441,677	1,441,677
Investments in associates	-	-	-	-	-	-	482,480	482,480
Financial assets at amortized cost	-	14,999	277,916	155,880	1,052,507	5,573,659	-	7,074,961
Subscribers' contributions and rural fils assets	-	-	-	-	-	201,928	-	201,928
Projects in progress	-	-	-	-	-	-	109,982	109,982
Inventories	-	-	-	-	-	-	25,723	25,723
Property and equipment	-	-	-	-	-	-	376,592	376,592
Investment properties	-	-	-	-	-	-	797,814	797,814
Investments in joint operations	-	-	-	-	-	-	15	15
Intangible assets	-	-	-	-	-	-	55,630	55,630
Other assets	-	-	-	-	-	-	582,475	582,475
Total Asset	487,038	323,541	899,794	419,593	1,137,806	5,991,523	4,008,112	13,267,407
Liabilities and Equity								
Liabilities-								
Subscribers' contributions and rural fils liabilities	-	-	-	-	-	201,928	-	201,928
Electricity service subscribers' deposits	-	-	-	-	-	79,159	-	79,159
Advance payments from electricity subscribers	-	-	-	-	-	18,940	-	18,940
Due to National Electric Power Company	-	-	-	-	-	331,237	-	331,237
Bank loans	-	-	-	9,882	-	39,529	-	49,411
End of service indemnity provision	-	-	-	-	-	18,720	-	18,720
Due to banks	83,436	-	-	-	-	-	-	83,436
Income tax provision	-	-	6,038	-	-	-	-	6,038
Other liabilities	-	-	-	-	-	158,779	-	158,779
Total liabilities	83,436	-	6,038	9,882	-	848,292	-	947,648
Equity-								
Social Security Corporation Equity:								
Social Security Corporation current account	-	-	-	-	-	-	6,542,251	6,542,251
Social Security Corporation current account – Unemployment Fund	-	-	-	-	-	-	183,464	183,464
Property and equipment revaluation reserve	-	-	-	-	-	-	31,812	31,812
Fair value reserve	-	-	-	-	-	-	280,782	280,782
Cash flow hedges reserve	-	-	-	-	-	-	(3,764)	(3,764)
Surplus of revenues over accumulated expenses	-	-	-	-	-	-	5,241,263	5,241,263
Total Social Security Corporation Equity	-	-	-	-	-	-	12,275,808	12,275,808
Non-controlling interests	-	-	-	-	-	-	43,951	43,951
Total liabilities and equity	83,436	-	6,038	9,882	-	848,292	12,319,759	13,267,407

(IN THOUSANDS OF JORDANIAN DINARS)

Sensitivity of interest prices were as follows:

2022-	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	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	-	-	-	-	-	-	202,014	202,014
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	-	-	-	-	-	-	70,629	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	-	-	-	-	-	-	883,177	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	-	-	-	-	-	-	14,575	14,575,436
Sensitivity variance	722,759	590,664	478,633	524,196	1,396,747	6,546,775	(10,259,774)	-
Cumulative sensitivity variance	722,759	1,313,423	1,792,056	2,316,252	3,712,999	10,259,774	-	-

(IN THOUSANDS OF JORDANIAN DINARS)

2021-	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	Non-interest bearing	Total
Assets								
Cash and bank balances	12,076	-	-	-	-	-	-	12,076
Deposits at banks and financial institutions	474,651	296,038	606,808	245,592	-	-	-	1,623,089
Financial assets at fair value through profit or loss	-	-	-	-	-	-	135,724	135,724
Loans and granted debts	311	12,504	15,070	18,121	85,299	215,936	-	347,241
Financial asset at fair value through other comprehensive income	-	-	-	-	-	-	1,441,677	1,441,677
Investments in associates	-	-	-	-	-	-	482,480	482,480
Financial assets at amortized cost	-	14,999	277,916	155,880	1,052,507	5,573,659	-	7,074,961
Subscribers' contributions and rural fils assets	-	-	-	-	-	201,928	-	201,928
Projects in progress	-	-	-	-	-	-	109,982	109,982
Inventories	-	-	-	-	-	-	25,723	25,723
Property and equipment	-	-	-	-	-	-	376,592	376,592
Investment properties	-	-	-	-	-	-	797,814	797,814
Investments in joint operations	-	-	-	-	-	-	15	15
Intangible assets	-	-	-	-	-	-	55,630	55,630
Other assets	-	-	-	-	-	-	582,475	582,475
Total Asset	487,038	323,541	899,794	419,593	1,137,806	5,991,523	4,008,112	13,267,407
Liabilities and equity								
Liabilities-								
Subscribers' contributions and rural fils liabilities	-	-	-	-	-	201,928	-	201,928
Electricity service subscribers' deposits	-	-	-	-	-	79,159	-	79,159
Advance payment from electricity subscribers	-	-	-	-	-	18,940	-	18,940
Due to National Electric Power Company	-	-	-	-	-	331,237	-	331,237
Bank loans	-	-	-	9,882	-	39,529	-	49,411
End of service indemnity provision	-	-	-	-	-	16,720	-	16,720
Due to banks	83,436	-	-	-	-	-	-	83,436
Income tax provision	-	-	-	-	-	6,038	-	6,038
Other liabilities	-	-	-	-	-	158,779	-	158,779
Total Liabilities	83,436	-	-	9,882	-	854,330	-	947,648
Equity-								
Social Security Corporation Equity:								
Social Security Corporation current account	-	-	-	-	-	-	6,542,251	6,542,251
Social Security Corporation current account – Unemployment Fund	-	-	-	-	-	-	183,464	183,464
Property and equipment revaluation reserve	-	-	-	-	-	-	31,812	31,812
Fair value reserve	-	-	-	-	-	-	280,782	280,782
Cash flow hedges reserve	-	-	-	-	-	-	(3,764)	(3,764)
Surplus of revenues over accumulated expenses	-	-	-	-	-	-	5,241,263	5,241,263
Total Social Security Corporation Equity	-	-	-	-	-	-	12,275,808	12,275,808
Non-controlling interests	-	-	-	-	-	-	43,951	43,951
Total liabilities and equity	83,436	-	-	9,882	-	854,330	12,319,759	13,267,407
Sensitivity variance	403,602	323,541	899,794	409,711	1,137,806	5,137,193	(8,311,647)	-
Cumulative sensitivity variance	403,602	727,143	1,626,937	2,036,648	3,174,454	8,311,647	-	-

(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 2022		31 December 2021	
	Assets	Liabilities	Assets	Liabilities
Geographical region				
Inside Jordan	14,503,619	888,173	13,170,351	947,648
Arab countries (note 5)	13,053	-	10,572	-
Europe (note 7)	58,763	-	86,484	-
	14,575,435	888,173	13,267,407	947,648

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

	31 December 2022		31 December 2021	
	Assets	Liabilities	Assets	Liabilities
Economic sector				
Investment	13,367,807	24,832	11,991,049	9,050
Hotels	119,013	5,369	117,736	5,345
Press and publishing	861,189	751,680	27,971	27,439
Energy	25,197	26,275	948,758	850,244
Trading	82,629	32,201	56,406	9,920
Other	119,600	42,816	125,487	45,650
	14,575,435	883,173	13,267,407	947,648

(41) CONTINGENT LIABILITIES

The contingent liabilities of the Group as of 31 December 2022 consist of the following:

A. As at 31 December 2022, the outstanding letters of credit and letters of guarantee were JD 9,561 thousand (2021: JD 14,174 thousand).

B. The expected remaining obligations to complete projects in progress for subsidiaries and Hotels owned by the Fund as at 31 December 2022 amounted to JD 242,202 thousand (2021: JD 263,421 thousand).

C. Operating lease commitment for Al Daman for Investments:

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	
	2022	2021
Less than 1 year	93	103
1 to 5 years	523	513
Over 5 years	27,941	29,419
	28,557	30,035

(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
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
2021 -				
Financial assets:				
Financial assets through profit or loss	135,724	-	-	135,724
Financial assets through other comprehensive income	1,394,602	-	47,075	1,441,677
	1,530,326	-	47,075	1,577,401

(43) LITIGATIONS

Social Security Investment Fund

There are lawsuits against the Fund with an approximate amount of JD 1,104 as at 31 December 2022 (31 December 2021: JD 1,004). The Fund recorded a provision for contingent liabilities against these lawsuits, amounting to JD 1,024.

Jordan Press Foundation / Al Rai – Subsidiary

Jordan Press Foundation / Al Rai is a defendant in lawsuits within the ordinary course of business amounting to JD 5,470 as at 31 December 2022 (31 December 2021: JD 5,470).

Jordanian Duty Free Shops – Subsidiary

a. There are labor lawsuits raised against Jordanian Duty Free Shops Company with an amount of JD 234 (31 December 2021: JD 17). Management and legal counsel believe that the existing provision is sufficient against these lawsuits.

b. There are lawsuits related to customs raised against the Company with an amount of JD 145 (31 December 2021: JD 455). Management and legal counsel believe that the existing provision is sufficient against these lawsuits. A final decision was issued in the case, and accordingly the full amount was paid during January 2022.

National Company for Tourism Development – Subsidiary

There are no cases filed against the company as at 31 December 2022 (2021: JD 15).

Kingdom Electricity Company for Energy Investments – Subsidiary

There are lawsuits against the Group related to its activities with a total amount of JD 1,115 as at 31 December 2022 (31 December 2021: JD 1,624). Management and legal counsel believe that the current lawsuit provision recognized by the Group is sufficient and there is no need to recognize additional provision.

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

National Electric Power Company (the Company's energy supplier) demands JD 717, which represents a difference in delay interests. Management of the subsidiary and its legal advisor believe that the Company will not incur any obligations according to the electricity tariff (wholesale tariff) issued by the Energy and Minerals Regulatory Commission (EMRC) which is binding to both parties.

Crowne Plaza Resort – Dead Sea – Fully Owned Hotel

There are lawsuits raised against the resort amounting to JD 4 as at 31 December 2022 (31 December 2021: JD 8). Management and legal counsel believe that the provision is sufficient to face any obligations from these lawsuits.

Intercontinental Resort – Aqaba - Fully Owned Hotel

There are lawsuits raised against the resort amounting to JD 192 as at 31 December 2022 (31 December 2021: JD 157) related to the resort activities. Risks related to these lawsuits and their probability of occurrence were analyzed. Management and legal counsel believe that lawsuit provision recognized by the resort is sufficient to face any obligations from these lawsuits.

(IN THOUSANDS OF JORDANIAN DINARS)

Holiday Inn Resort - Dead Sea – Fully Owned Hotel

There are lawsuits raised against the resort as at 31 December 2022 by 27 thousand and there were no lawsuits raised against the resort as at 31 December 2021

Crowne Plaza Hotel – Amman – Fully Owned Hotel

There are lawsuits raised against the hotel amounting to JD 34 as at 31 December 2022 (31 December 2021: JD 66). Management and legal counsel believe that there is no need to recognize a provision for them.

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

There are labor lawsuits raised against the hotel amounting to JD 15 as at 31 December 2022 (31 December 2021: JD 73). Management and legal counsel believe that the provision is sufficient.

(44) INCOME TAX PROVISION

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

	2022	2021
Balance as at 1 January	6,038	5,466
Income tax expense for the year	11,810	7,002
Income tax deposits	(455)	(3)
Income tax paid	(7,359)	(6,427)
Balance as at 31 December	10,034	6,038

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

	2022	2021
Income tax expense for the year	11,810	7,002
Change in deferred tax assets	(577)	(449)
	11,233	6,553

Tax Position of the Group

Social Security Investment Fund

The income tax provision for the year ended 31 December 2022 and 2021 has been calculated in accordance with income tax law No. (34) of 2014 and its amendments. Management believes that the provision amounting to JD 272 thousand is sufficient and there is no need to recognize additional provision. Noting that most of the Fund's activities are tax exempted in accordance with the Income Tax Law excluding net income from rentals and dividends from foreign investments.

The Fund submitted its tax declarations for the years 2019 and 2021 within the legal period. The Income and Sales Tax Department did not review the Fund's accounting records until the date of these consolidated financial statements.

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

The Fund submitted its tax declarations for the years 2015 to 2018. The Income Tax Department estimated tax differences in a total of 607 thousand dinars for those years. The Fund objected to the claimed amounts and filed a lawsuit against the Department at the Income Tax Court of First Instance. The case is still pending with the court until the date of these consolidated financial statements.

Kingdom Electricity Company for Energy Investments

The Company obtained a final income tax clearance with the Income Tax Department up to the year 2019. The Fund submitted its tax declarations for the year 2021 and 2020. The Income and Sales Tax Department did not review the Fund's accounting records until the date of these consolidated financial statements.

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

The Company obtained a final tax clearance up to the year 2020. The Company submitted its tax declarations for the years 2021. The Income and Sales Tax Department did not review the Company's accounting records until the date of these consolidated financial statements.

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

The Company has obtained a final clearance up to the year 2020. The Company submitted its tax declarations for the year 2021 within the legal period. The Income and Sales Tax Department has not reviewed the Company's accounting records until the date of these consolidated financial statements.

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

The Company has obtained a final clearance up to the year 2017 and the Company has submitted the tax deceleration for the years 2021, 2020, 2019 and 2018. The Income and Sales Tax Department did not review the Company's accounting records until the date of these consolidated financial statements.

Jordan Press Foundation / Al Rai – Subsidiary
Income tax provision was not calculated for the years ended 31 December 2022 and 31 December 2021 due to the excess of deductible expenses over taxable income in accordance with the Income Tax Law No. (34) Of 2014 and its amendments.

The Company submitted its tax declarations for the years up to 2021, 2020 and 2019. The Income and Sales Tax Department did not review the Company's accounting records until the date of these consolidated financial statements.

The Company reached a final settlement with the Income and Sales Tax Department up to the year 2018.

Jordanian Duty Free Shops Public Shareholding Company – Subsidiary
Income tax is calculated on interest income and other income for the years ended 31 December 2022.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. The group's exemption from income tax on its activity has been renewed for a period of six years from the date of renewal of the exclusivity agreement signed on 1 May 2022, and the year 2022 is considered the year of the first year of exemption.

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

An amount of JD 269,689 was estimated as tax claim for the years 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 called back to the case to the Court of First Instance to reopen the case. This case was decided by the end of 2022, as the company had to pay an amount of 145,277 dinars, which was paid in full during January 2023.

The Group submitted the tax return for the years ending 31 December 2021 and 2020 within the legal deadline, and the Income Tax Department did not audit the tax return for these years until the date of the consolidated financial statements.

The Group has registered for sales tax with retroactive effect from 1 January 2014 It is committed to submitting returns within the legal deadlines and audited returns until 30 June 2019.

National Company for Touristic Development - Subsidiary
The Company has submitted its self-assessment statements for the years 2019, 2020 and 2021, and has not received a final clearance as of the date of these consolidated financial statements.

The Company has not calculated the income tax provision for the Company's branch in Amman due to the increase in taxable expenses and taxable accumulated losses over taxable revenues for the year ended 31 December 2022 (2021: Taxable expenses exceeded taxable revenues) in accordance with the Income Tax Law No. (34) of 2014 and its amendments.

Al-Daman for Investments Public Shareholding Company – Subsidiary

Income tax for the years ended 31 December 2022 and 2021 was not calculated due to the Company having accumulated losses in accordance with Income Tax Law No. (34) of 2014 and its amendments and the Aqaba Special Economic Zone Law No. (32) of 2000 and its amendments.

The Company obtained a final tax clearance from the Income and Sales Tax Department for the Company's activities in Amman up to the end of the year 2020, the Company has submitted its tax declaration for the years 2021 and the Income and Sales Tax Department still has not reviewed this declaration until the consolidated financial statements preparation date.

The Company has obtained the final clearance from the Income and Sales Tax Department for the Company's business in the city of Aqaba up to 2017.

Tax declarations related to the Company's activities in Aqaba were submitted for the years 2021, 2020, 2019 and 2018 within the legal notice. The Income and Sales Tax Department still has not yet reviewed those declarations until the consolidated financial statements preparation date.

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

The income tax provision for the years ending 31 December 2022 and 31 December 2021 has been calculated according to Tax Law No. (34) of 2014 and its amendments. The Company's statutory income tax rate is 20% plus 1% due as national contribution tax.

The Company submitted its records for the year 2017 and 2021 and the Income and Sales Tax Department has accepted the Company's record within the sampling system. The Company submitted its records for the year 2018 and 2019 and the Income and Sales Tax Department has not reviewed the Company's record up to the date of the consolidated financial statement.

Al-Daman for Development Zones – Subsidiary

The Group has calculated its income tax provision for the years ended 31 December 2022 and 2021, in accordance with Income Tax Law No. (34) of 2014 and its amendments and in accordance with the Developing Investment Law No. (30) of 2014.

The Group submitted its tax records up to the year 2021 and obtained a final tax clearance from the Income and Sales Tax Department for those years up to 2021.

United Travelling Center – Subsidiary

Income tax provision was not calculated for the years ended 31 December 2022 and 2021 due to accumulated losses from previous years in accordance with the income tax legislation in place in the Hashemite Kingdom of Jordan and according to IAS (12).

The Income and Sales Tax Department had reviewed the Company's accounting records up to 2021 and the Company obtained final clearance up to 2021.

(45) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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 is effective for reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. 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.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020, 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.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company 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.

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 for annual reporting periods beginning on or after 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 are not expected to have a material impact on the Group.

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 to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

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 for annual reporting periods beginning on or after 1 January 2023. Early adoption is permitted.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.