









His Majesty
King Abdullah II Bin Al-Hussein



His Royal Highness Crown Prince Al Hussein Bin Abdullah II

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Chairman of the Social Security Investment Fund Board Message



Dear Social Security Subscribers and Retirees,

It is my pleasure, both personally and on behalf of my colleagues on the Social Security Investment Fund Board, to present to you the Social Security Investment Fund (SSIF) Annual Report for the year 2023. This report presents a comprehensive review of the Fund's activities, achievements, and its standalone and consolidated financial statements for the fiscal year ending on 31/12/2023.

Despite the significant regional challenges that the Jordanian economy faced due to geopolitical factors, most notably the brutal aggression on Gaza, SSIF's success story continues unabated. In fact, these challenges further strengthened our resolve, leading to remarkable achievements throughout 2023.

The Fund's total assets witnessed a substantial growth, reaching JOD 14.8 billion at the end of 2023, compared to JOD 13.8 billion at the end of 2022, reflecting a growth rate of 7.5%. This continued asset growth demonstrates the efficiency of the Fund's team and the effectiveness of its investment management strategies. Moreover, this achievement is a testament to the resilience of Jordan's economy, which managed to record a growth rate of 2.6% during the same period.

This performance is attributed to the Fund's rigorous adherence to a comprehensive institutional governance framework, grounded in the highest standards of best practices. This commitment ensures the promotion of transparency, accountability, and the cultivation of trust across all stakeholders. The Fund adheres to judicious investment policies, meticulously designed to secure optimal returns while maintaining risk exposure within acceptable parameters. The Fund adheres to judicious investment policies, meticulously designed to secure optimal returns while maintaining risk exposure within acceptable parameters.

Through the continuous application of stringent professional standards in investment management and the cultivation of strategic, mutually beneficial partnerships with the private sector, the Fund has successfully expanded its investment portfolio. This expansion encompasses both sectoral diversifications, focusing on high-value sectors, and geographical coverage, extending across all regions of the Kingdom.

Moreover, the Fund's investments yielded significant profits, totaling JOD 797 million, reflecting a robust growth rate of 16.5% compared to the close of 2022. These returns were generated from a diversified portfolio encompassing bond holdings, equities, money market instruments, real estate, loans, and investments in the tourism sector.

In conclusion, the SSIF remains steadfast in its pursuit of long-term objectives through a disciplined institutional investment strategy and the judicious diversification of its portfolio. This approach continues to deliver meaningful returns, fostering the ongoing growth of the Fund's assets, invigorating economic activity within the Kingdom, enhancing the national economy's competitiveness, and drawing additional investments.

We remain committed to close collaboration with the Board of Directors of the Social Security Corporation, the Social Security Investment Board, the executive management, and SSIF personnel to fortify the financial stability of the Social Security system and to contribute to Jordan's economic renaissance, in alignment with the comprehensive modernization vision championed by His Majesty King Abdullah II, and His Royal Highness the Crown Prince. May God protect them both.

With best regards,

Dr. Umayya Salah Toukan

Chairman of the Social Security Investment Fund Board of Directors



Distinguished Social Security Subscribers and Retirees,

It is my honor to present to you the Annual Report of the Social Security Investment Fund for the year 2023, which highlights the Fund's key achievements and financial performance for the fiscal year ending on 31/12/2023.

Despite the geopolitical challenges that cast their shadow over the Jordanian economy, the Fund has been able to deliver outstanding performance, driven by prudent investment policies and a steadfast commitment to sound governance practices. Consequently, the Fund's assets grew by 7.5%, reaching approximately JOD 14.8 billion at the end of 2023, compared to JOD 13.8 billion at the end of 2022. Furthermore, the Fund achieved a significant increase in net income by 16.5%, amounting to approximately JOD 797 million compared to JOD 684 million in 2022.

In line with its commitment to generating stable and sustainable returns, the Fund has carefully diversified its asset base across various investment portfolios within acceptable risk levels. As of 2023, the bond portfolio accounted for 57.3% of the total portfolio, equities represented 15.8%, money market instruments 13.7%, real estate investments 5.8%, loans 3.7%, and tourism investments 2.1%.

The Fund's role extends beyond financial returns, contributing meaningfully to the acceleration of economic development and adding value across various sectors. This has been achieved through successful strategic partnerships with both local and international private sector entities in diverse fields, including finance, mining, tourism, telecommunications, energy, industry, agriculture, real estate, and development zones.

The Fund has continued to finance several national projects through Daman Company for Financial Leasing, including the Amman-Zarqa Bus Rapid Transit Project, the New Amman Customs Project in Madouneh, Tafileh Governmental Hospital, and Ma'an Military Hospital.

In the agricultural sector, the Social Security Investment and Agricultural Industries Company completed the cultivation of approximately 19,000 dunums in the Mudawara region with strategic crops such as wheat, field crops, and animal feed. The company has provided over 110 permanent job opportunities, primarily for residents of the southern governorates, in addition to 80 seasonal job opportunities.

In the tourism sector, the reopening of Amman Paradise Hotel (formerly Amman Cham Palace) was achieved through an investment agreement with a local investor, creating 100 permanent job opportunities. The expansion and rehabilitation of the Crown Plaza Petra Hotel continues, with plans to generate 200 permanent jobs upon its reopening. Furthermore, the renovation of the Zay Rest House has completed, positioning it as an investment opportunity for 2024.

Throughout 2023, the Mafraq Development Corporation, the investment arm of the Social Security Corporation for the development of special economic zones, continued to attract new private sectors investments to King Hussein Bin Talal Development Area in Mafraq. This has resulted in attracting 58 operational and under-construction factories in various industrial sectors, with a total investment value of JOD 500 million, creating approximately 1,300 permanent jobs. Additionally, the technology, software engineering, and call center investments in the Irbid Development Area reached JOD 40 million, providing 2,300 job opportunities.

The Fund has also continued to strengthen its governance practices by adhering to global best standards, including organizing governance forums for representatives on the boards of companies in which the Social Security Corporation holds a stake. These forums facilitate the exchange of expertise with partners and provide updates on the latest legislative and economic developments, ensuring the representatives play their role in enhancing the value of Social Security's investments in these companies. Moreover, an updated version of the corporate governance manual for board representation was issued to align with evolving developments.

I would like to take this opportunity to express my deep appreciation to my colleagues at the Social Security Investment Fund, the Board of the Social Security Investment Fund, and the Social Security Board of Directors for their tremendous efforts and vital role in achieving these distinguished accomplishments. I also extend my gratitude to all of the Fund's partners, regulatory bodies, and the media for their significant role in disseminating the Fund's message, highlighting its achievements, and providing constructive criticism that has aided us in our continuous development process.

In conclusion, our unwavering commitment to working with integrity and professionalism will, remain steadfast in safeguarding and growing the assets of the Social Security Corporation. We will continue to pursue impactful investments that generate sustainable social and environmental benefits, always striving to realize the vision of His Majesty King Abdullah II Ibn Al Hussein, and His Royal Highness the Crown Prince, may God protect them both, in supporting the comprehensive economic renaissance of our beloved country.

Dr. Ezzeddin Kanakrieh
CEO of the Social Security Investment Fund

The Social Security Investment Fund in Brief

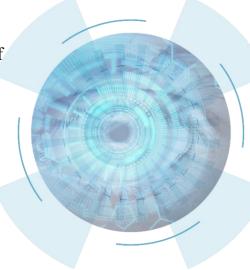
The Social Security Investment Fund started its work in 2003 to manage the assets and investments of the Social Security Corporation with the objective of realizing meaningful and sustainable returns on the Social Security Corporation investments while maintaining the real value of the assets and providing the liquidity needed to meet the SSC's future obligations. The Social Security Investment Fund is also dedicated to adapt the best international practices in pension fund management.



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 accordance with international best standards and practices.

Core Values:





We Invest Responsibly: We Work Professionally: We believe in Corporate



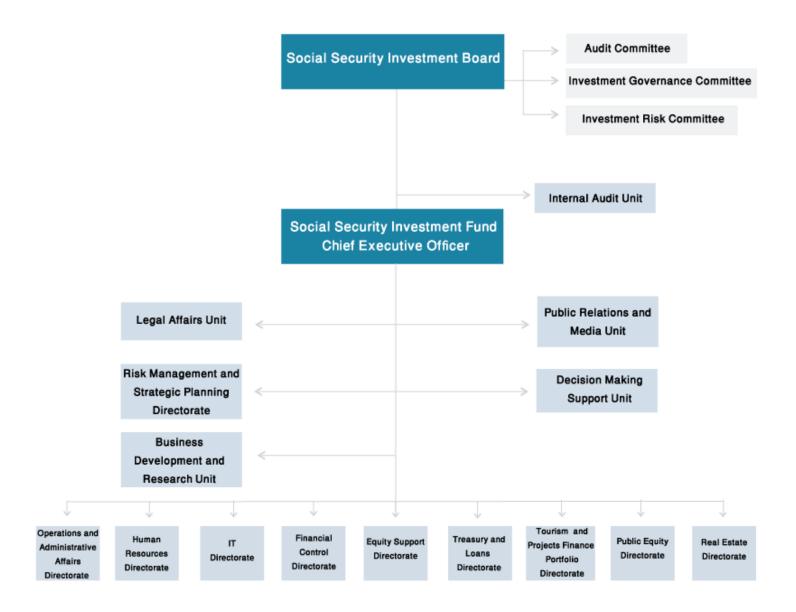
Governance:

- 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 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.

- 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.

Organizational Structure



SSIF Role in the National Modernization Vision

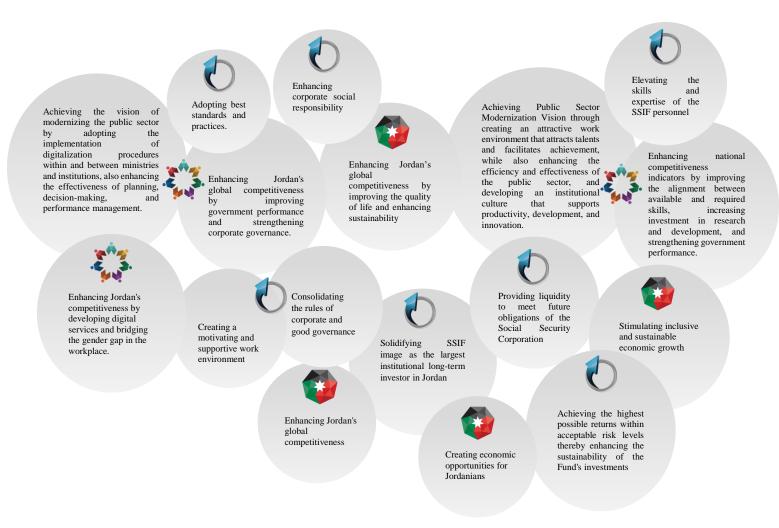
Over the past years, the Social Security Investment Fund (SSIF) has played a pivotal role in shaping and implementing national plans aimed at advancing the economic and administrative landscape of the Kingdom, including the "Economic Modernization Vision" and the "Public Sector Modernization Roadmap."

The Fund also plays a key role in supporting the achievement of targeted national economic indicators and improving the competitiveness of the economy on global indices. This is accomplished by channeling investment returns and surplus funds into a diverse array of investments across critical sectors that provide significant added value to the Jordanian economy. In turn, these investments contribute to stimulating economic growth, creating permanent and high-quality employment opportunities, and improving the level of services provided to citizens.



◆ The Alignment of the Fund's Strategic Objectives with the Economic Modernization Vision and the Components of Public Sector Modernization:

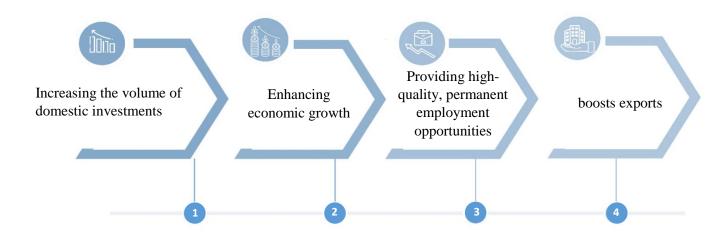
The Fund is committed to aligning its strategic objectives with national priorities, setting its operational goals to achieve these overarching directions. Below is an outline demonstrating the degree of alignment between the Fund's strategic objectives and both the Economic Modernization Vision and the Public Sector Modernization Vision:



National Competitiveness Indicators in International Reports:

1. Economic Performance Index:

The Fund's investments contribute to enhancing the performance of the Jordanian economy by increasing the volume of domestic investments. This, in turn, stimulates economic growth, provides high-quality, permanent employment opportunities—especially crucial given the rising unemployment rates—and boosts exports through investments in leading export-oriented industrial companies.

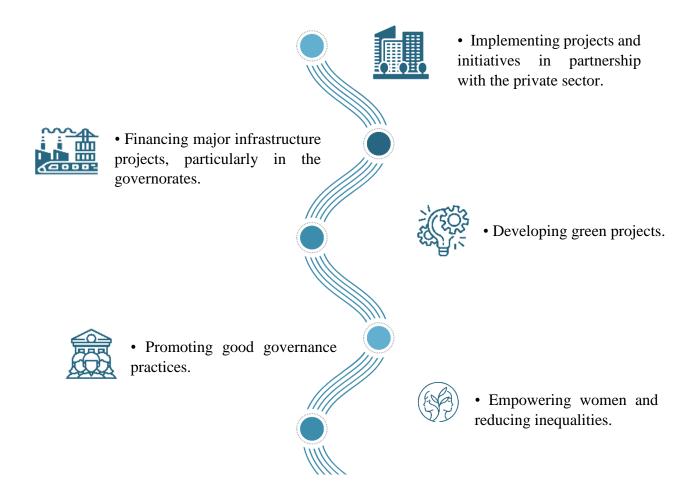


2. Business Efficiency Index:

The Fund's investments contribute to improving business efficiency by providing financial support to the private sector. This is primarily achieved through the Fund's deposits in banks, which in turn finance private sector operations, thereby enhancing the business efficiency index in Jordan.

3. Sustainable Development Index:

The Fund supports the Kingdom's efforts to achieve the targeted indicators outlined in the roadmap for implementing the 2030 Sustainable Development Agenda. This includes:





SSIF Financial Performance

SSIF Assets

14.8 JD billion as at 31/12/2023

Income

797
JD million
as at 31/12/2023

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684 JD million as at 31/12/2022



Corporate Governance

Investment Committee: 132 meetings



Investment Board: 12 meetings





Meetings of the Investment Board Sub Committees

SolutionGovernance Committee:

8 meetings

Auditing Committee: 13 meetings



Risks Committee: 12 meetings

SSIF Employees

Job Satisfaction Rate: 84.6%



Total Staff: 121 employees



Percentage of women employees:

35.5%

Females in top management

positions: 33%



Females in middle management

positions: 34%



Women's representation as board

members: 13%

Indicators of enabling work environment

Training hours: 2816



Training hours for women employees: 1407

Media Visibility

Media Visibility: 199



Customer and Public Relations



Service Providers' Satisfaction Rate: 91.4%



Service Recipients' Satisfaction Rate: 91.8%



Public Awareness about the Fund: 78.1%

The Environment



Fuel Consumption: 5191 liters



Electricity Consumption: 377808 kilowatt-hours



Weight of Recycled Paper: 1560 kg







Drop in Electricity Bill: 68.8%

Corporate Governance

SSIF adopts a comprehensive approach to implementing an institutional governance system, in accordance with best practices that promote adherence to compliance, transparency, and accountability standards. The Fund strives to apply effective governance policies, underpinned by sound governance practices, institutional work instructions, and procedures, to achieve its strategic and national objectives. This, in turn, enhances its performance and contributes to the long-term benefit and advancement of the national economy.

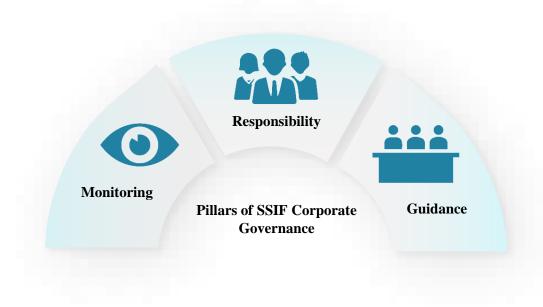
SSIF aims to achieve several key objectives through the application of institutional governance standards, including:

1. Improving the competitiveness of the Social Security Investment Fund.

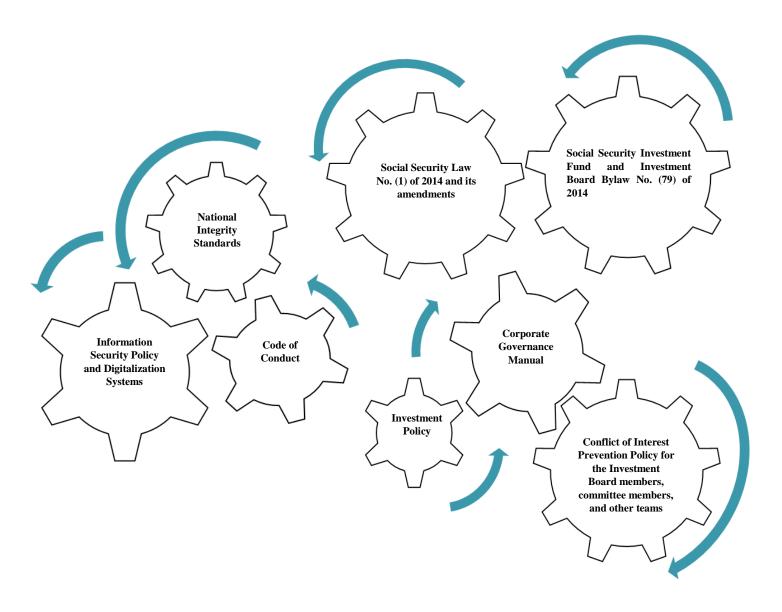
- 2. Increasing productivity and enhancing operational and investment efficiency.
- 3. Promoting the culture of compliance with laws and regulations.
- 4. Assessing and effectively managing potential risks.
- 5. Promoting fairness, transparency, and combating corruption.
- 6. Optimizing the use of available resources.
- 7. Enhancing trust in the Social Security Investment Fund.



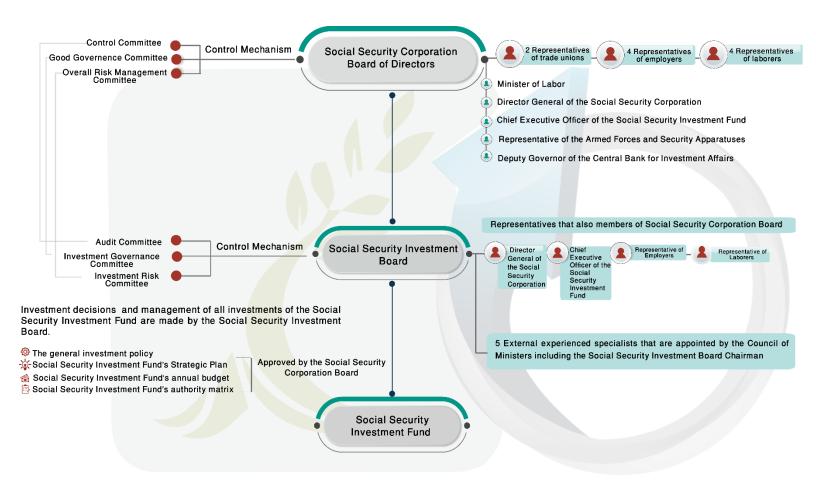
To ensure prudent investment and administrative decision-making that serves the interests of the Fund, and to prevent abuse of power and conflicts of interest, SSIF operates under an integrated oversight system at multiple levels, within the framework of governing legislation. SSIF is subject to oversight by various internal and external entities in accordance with applicable laws. It is committed to the continuous improvement and development of its institutional governance system by evaluating the application of control standards and through feedback from partners and other specialists, aiming to achieve the highest levels of performance and compliance.



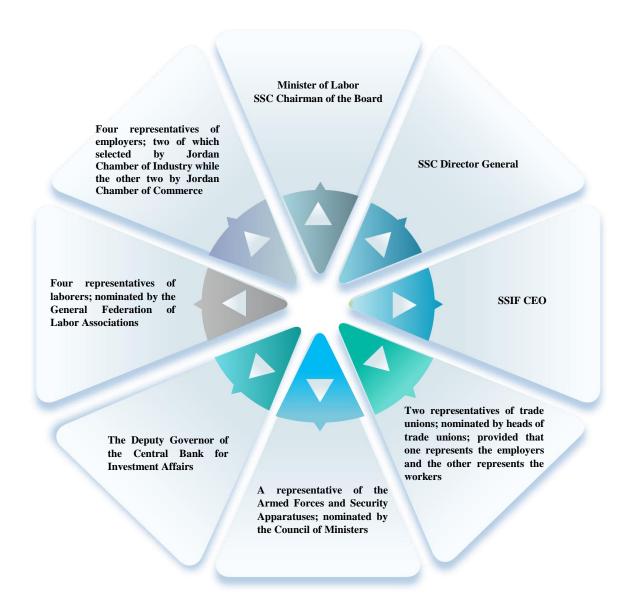
SSIF Corporate Governance Framework



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 and its amendments, the Board of Directors of the Social Security Corporation consists of 15 people headed by the Minister of Labor and the following members:

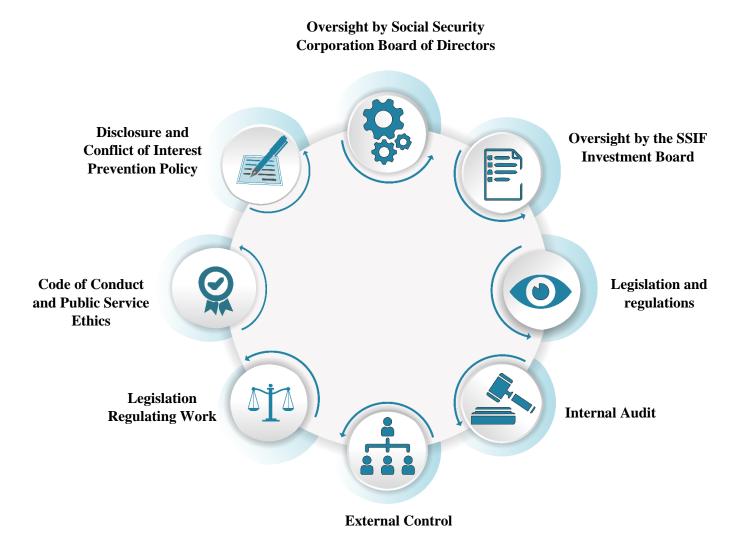


It should be noted that four members of SSC Board of Directors are also ipso facto members of SSIF Investment Board. They are the Fund's CEO, SSC Director General, the Workers' Representative, and the Employers' Representative. Pursuant to the Social Security Law, the SSC Board of Directors exercises 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. These minutes shall be included in the agendas of the SSC 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.



First: 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.

Second: Institutional Oversight:

1) 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.

2) 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.

3) 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.

4) 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.

5) Practices of Integrity, Transparency, and Accountability:

The Fund is committed to upholding the highest standards of integrity, transparency, and accountability, as well as sound management practices and principles of professional discipline. SSIF also adheres to a system for reporting violations and breaches in accordance with relevant legislation, thereby reinforcing trust in the SSIF.

SSIF Employees are required to sign a confidentiality agreement to safeguard sensitive information and ensure its security. Moreover, the SSIF participates in national efforts spearheaded by the Integrity and Anti-Corruption Commission, including the national media campaign titled "Report, and the Commission Will Protect You," by sharing awareness posts and videos on the SSIF's social media platforms. Additionally, representatives on the boards of companies owned or partially owned by the Social Security Corporation are directed to align with these integrity efforts.

6) Code of Conduct and Public Service Ethics:

SSIF Employees are bound by the Code of Conduct and Public Service Ethics in accordance with the provisions of the Civil Service Bylaw. Each employee signs a commitment document to adhere to this code before commencing their duties.

The code serves as a guiding framework for managing business with responsibility and seriousness, fostering personal accountability. It not only requires ethical decision-making but also the soundness of decisions, all in line with SSIF objectives and strategy.

The code is fundamentally based on the principles of fairness, equal opportunity, transparency, accountability, professional integrity, neutrality, and loyalty to the nation and SSIF. It supports the Fund's mission and goals while emphasizing the importance of taking responsibility.

The code aims to establish ethical standards, rules, and core principles for public service conduct, fostering professional values and culture, and reinforcing employee commitment to these principles. It seeks to embed good practices and governance

by educating civil service employees and guiding them toward sound ethical practices and self-discipline that govern the course of work within the civil service, in harmony with prevailing laws and regulations. It also clarifies their duties and responsibilities, while highlighting their role in improving services and enhancing credibility in public service.

Disclosure and conflict of interest prevention policy:

- 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.

- The Social Security Investment Fund Staff:

The Social Security Investment Fund applies the Conflict of Interest Prevention Policy to members and rapporteurs of committees, taskforces, and employees of the Fund. This policy aligns with the Code of Conduct and Public Service Ethics issued in accordance with the provisions of the Civil Service Bylaw.

Employees are required to sign a Confidentiality Agreement and periodically disclose their assets and any changes to them through the submission of a financial disclosure statement form. The policy also requires that some employees in middle positions sign a Conflict of Interest Declaration form.

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:

Studies investment opportunities to ensure their alignment with the SSIF's investment objectives, in accordance with the investment policy, and submits recommendations to the Investment Committee.

Social Security Corporation Board of Directors:

Approves the overall investment policy, investment plan, and the strategic allocation of SSIF assets.

Investment Committee:

Studies the investment opportunities presented by SSIF directorates and submits recommendations to the Social Security Investment Board.

Investment Board:

Makes investment decisions in accordance with the overall framework of the SSIF's investment policy and investment plan.

Representation of the Companies' Boards of Directors:

SSIF holds equity in approximately 80 public and private equity companies, and is represented by 119 board members in the boards of directors of these companies, 18 of whom were newly appointed in 2023. SSIF continues to apply gender-sensitive policies, with women making up 13% of these representatives.

As a major shareholder in most of the leading national companies, SSIF, through its board representatives, strives to make a positive impact on the financial and operational performance of these companies. This is achieved by adhering to corporate governance standards, implementing effective oversight controls, and collaborating with other shareholders to enhance the effectiveness and strategic and supervisory role of the boards of directors.

Additionally, through its representatives, SSIF supports the sustainable role of these companies by encouraging them to finance entrepreneurial projects and small businesses, as well as supporting corporate social responsibility (CSR) initiatives and sustainable development projects. These efforts contribute to maximizing investment returns, safeguarding shareholders' rights, strengthening trust in the national economy, and attracting foreign investments.

Effective Representation:

The Social Security Corporation Board of Directors and the Social Security Investment Board recognize the importance of effective representation on the boards of companies to ensure sound corporate governance. As such, the process of developing the foundations for board representation has continued, along with the development of institutional mechanisms for oversight, guidance, and performance evaluation of the representatives.

Solution Guideline for Board Representation in Companies:

In line with the ongoing efforts to adopt the international best practices in corporate governance and sound management, and based on the lessons learned from the specialized forums SSIF organizes, SSIF issued an updated version of the representative's guideline in 2023. This update aligns with governance principles and regulatory requirements, ensuring compliance with supervisory authorities.

The update includes a comprehensive review of the general framework governing the duties and authorities of representatives, as well as their relationship with SSIF, which oversees the management, direction, and performance monitoring of the representatives. This is done to ensure they fulfill their responsibilities effectively, securing the profitability and sustainability of the companies while safeguarding the rights of all shareholders.

The updated guideline also revises the evaluation mechanisms and performance criteria for representatives, along with the periodic reports submitted by representatives to SSIF.

Institutional Communication:

To ensure effective communication with the representatives and safeguard the interests and rights of Social Security, the representatives are required to submit periodic reports to SSIF. These reports cover key financial performance indicators of the company, the effectiveness of internal control systems, adherence to corporate governance and compliance standards, operational performance indicators, and other financial and legal matters impacting the company's operations and sustainability.

To ensure that communication is mutual and effective, the SSIF regularly holds meetings with the representatives to review the companies' performance, achievements, and future plans. In the event of significant developments in the company's operations or its plans to address urgent or unexpected matters, SSIF may request special reports from the representatives and arrange urgent meetings with them to provide timely guidance for addressing these developments.

Capacity Building:

SSIF continues to organize governance forums for the representatives on the boards of companies in which Social Security holds equity. These forums aim to facilitate

the exchange of expertise with partners and keep the representatives informed of the latest legislative and economic developments. This aims to ensure that the representatives effectively fulfill their role in enhancing the value of Social Security's investments in these companies, in cooperation with representatives of other shareholders.

Seventh Forum:

In March 2023, SSIF held the seventh forum on companies's financial positions and corporate insolvency.

The forum hosted a number of financial, legal, and accounting experts who discussed the latest economic developments, global financial crises, and their impact on companies's financial positions, also their impact on the national economy across various sectors.

The forum also shed light on the key aspects of the insolvency law, and its important role in corporate governance and risk management for corporations and their stakeholders, also its important role in promoting economic growth and stability, in addition to providing a valuable mechanism for protecting creditors' rights and ensuring that bankrupt firms are restructured in a way that maximizes value for all stakeholders.

Eighth Forum:

In December 2023, SSIF held the eighth forum entitled "Corporate Governance Regulations for Banks" in cooperation with the Central Bank of Jordan (CBJ). The forum hosted an expert from (CBJ) and targeted SSIF representatives in the boards of directors of companies and banks.

The forum highlighted the corporate governance regulations for banks that were recently amended by CBJ. The forum also discussed the crucial role of a bank's board of directors in shaping its objectives, policies, and strategic plans and

developing policies that focus on the bank's responsibility for environmental and societal protection, and its impact on enhancing the economic growth and bolstering the business environment by institutionalizing corporate governance principles and sustainable development and practices.









SSIF Investment Board

SSIF Investment Board:

Pursuant to the provisions of Article (14), Paragraphs (A) and (B) of the Social Security Law No. (1) of 2014 and its amendments, a Board called the "Social Security Investment Board" shall be set up in the Social Security Corporation comprising the following members:

- 1. The Executive Chairman of the Social Security Investment Fund.
- 2. The Social Security Corporation Director General.
- 3. Two members selected by the Social Security Corporation Board; one of which shall be from the Employees' Representatives and the other from the Employers' Representatives; both of which shall be competent investment specialists.
- 4. Five external experienced specialists; appointed by the Council of Ministries upon recommendation of the Social Security Corporation Board, and the Council of Ministers shall nominate one of them as a Chairman of the Social Security Investment Board.

The Social Security Investment Board shall designate a Deputy Chairman from members who are not prescribed in (1) and (2) of paragraph (A) of this article. This Deputy Chairman shall assume the role of Chairman of the Social Security Investment Board in the absence thereof.

Under the provisions of Article (14), Paragraphs (D) of the Social Security Law No. (1) of 2014 and its amendments, the Executive Chairman of the Social Security Investment Fund is appointed by the Council of Ministers based on the recommendation of the Chairman of Social Security Corporation Board of Directors. The appointment is for a two-year term, renewable, and the salary is determined by a decision of the Council of Ministers.

Duties of the Investment Board:

Under the provisions of Article (14), Paragraph (C) of the Social Security Law No. (1) of 2014 and its amendments, the Social Security Investment Board shall assume the following duties and powers:

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

Members of the Social Security Investment Board Members



H.E. Mr. Mazin M. Al Khatib⁽¹⁾

Chairman



H.E. Eng. Ihab Qadri (2)

Representative of Employers

Vice Chairman of the Board



H.E. Dr. Ezzeddin Kanakrieh



H.E. Dr. Mohammad Al-Tarawneh

Chief Executive Officer / Member

SSC Director General / Member



H.E. Mr. Khaled Abu Marjoub⁽³⁾



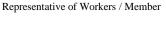
H.E. Ms. Dina Al Dabbas $^{(4)}$



H.E. Mr. Wamid Mujalli⁽⁵⁾

Member

Member





H.E. Dr. Anis Al Shatnawi⁽⁷⁾

Member



H.E. Dr. Michael Swaidan⁽⁶⁾

Member

^{(1):} H.E. Dr. Umayya Toukan held the position of Chairman of the Board as of May 12, 2024.

^{(3):} Mr. Mazen Al Ma'aitah was a member of the investment board until February 28, 2023. (5): Eng. Sahl Dudin was a member of the investment board until April 11, 2023.

^{(7):} Dr. Qais Mahafza was a member of the investment board until April 11, 2023.

⁻ Eng. Ihab Qadri was a member of the investment board as of March 20, 2023 until February 28, 2024.

Eng. Ihab Qadri was elected as the Vice Chairman of the Board starting from May 7, 2023 until February 28, 2024.
 Mr. Mamdouh Qaralleh was a member of the investment board until February 28, 2023.

⁻ Eng. Hussam Odeh was a member of the investment board as of the 1" of March, 2024.

(4): Mr. "Shadi Ramzi" Al Majali was a member of the investment board until April 11, 2023.

^{(6):} Mr. Riyadh AlTaweel was a member of the investment board until April 11, 2023.

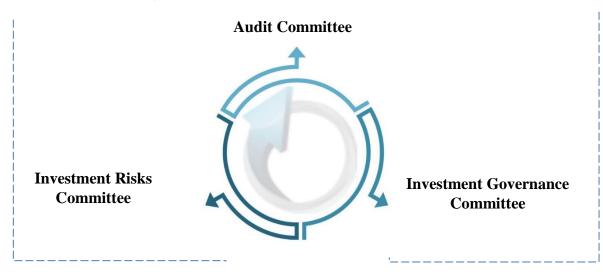
- **Social Security Investment Board meetings:** The Board held 12 meetings. ◆
- **Remunerations of the Social Security Investment Board:**

Pursuant to the provisions of Article 14, Paragraph (E) of the Social Security Law No. 1 of 2014 and its amendments, members of the Social Security 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 Social Security Investment Board whose remuneration is set by a resolution of the Council of Ministers based on the recommendation of the Chairman of the Social Security Corporation Board of Directors.

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

Chairman of the Social Security Investment Board	Members of the Social Security 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

Social Security Investment Board Sub Committees



♦ First: The Audit Committee:

Duties of the Audit Committee:

- 1. Oversee the financial and investment activities of the Social Security Investment Fund and audit its financial reports including its financial data before they are submitted to the Social Security Investment Board.
- 2. Review the Social Security Investment Fund internal and external auditors' reports, follow-up on actions taken regarding these reports, and submit their recommendations to the Social Security Investment Board.
- 3. Submit the internal audit plan to the Social Security Investment Board for approval.
- 4. Ensure the accuracy and soundness of accounting and auditing procedures.
- 5. Ensure the Social Security Investment Fund'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 Bylaw.
- 7. Any other tasks assigned to it by the Social Security Investment Board.

Members of the Audit Committee:		
Dr. Michael Swaidan ⁽⁸⁾	Chairman	
Ms. Dina Al Dabbas ⁽⁹⁾	Member	
Mr. Khaled Abu Marjoub ⁽¹⁰⁾	Member	
Mr. Fadi Abu Ghoush	 Internal Audit Unit Manager / Committee's Secretary 	

Audit Committee Meetings:

- The committee held 13 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.

⁽⁸⁾: Eng. Sahl Dudin was the chairman of the Audit Committee until April 11, 2023.

^{(9):} Dr. Qais Mahafza was a member of the Audit Committee until April 11, 2023.

^{(10):} Mr. "Shadi Ramzi" Al Majali was a member of the Audit Committee until April 11, 2023.

Second: The Investment Governance Committee:

Duties of the Investment Governance Committee:

- 1. Recommend to the Good Governance Committee emanating from the Social Security Corporation Board created in accordance with the provisions of Article (17) of the Social Security Law, the investment governance policy and develop the principles and recommendations necessary for implementation of this policy.
- 2. Monitor the implementation of the code of conduct and report 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 with the rules and standards of good governance of the Social Security Investment Fund that are adopted by the Social Security Investment Board.
- 5. Ensure the existence of a clear governance structure and effective instruments and responsibilities in 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 matrix.
- 7. Recommend to the Social Security Investment Board the rules governing corporate representation in the boards of directors of shareholding companies, including assessment criteria of persons nominated to represent the Social Security Corporation.
- 8. Ensure the sound implementation of the rules and criteria set for the Social Security Corporation's representation on the boards of directors and managements of companies.
- 9. Ensure the independent custody of investment assets.

- 10. Ensure the compliance of the Social Security Investment Board members, the Social Security Investment Fund personnel, and representatives of the Social Security Corporation on the boards of directors of shareholding companies 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 the Social Security Investment Fund 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 the Social Security Investment Fund 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 Social Security Investment Board.

Members of the Investment Governance Committee:		
Dr. Mohammad Al-Tarawneh	Chairman	
Mr. Wamid Mujalli ⁽¹¹⁾	Member	
Mr. Khaled Abu Marjoub ⁽¹²⁾	Member	
Mr. Mohammad Madi	Equity Support Directorate Manager / Committee's Secretary	

^{(11):} Mr. Mazen Al Ma'aitah was a member of the Investment Governance Committee until February 28, 2023.

^{(12):} Dr. Qais Mahafza was a member of the Investment Governance Committee until April 11, 2023.

Investment Governance Committee Meetings:

- The committee held 8 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 in accordance with international risk management standards.
- 2. Ensure the existence of sound periodic reports to assess and analyses 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 and Strategic Planning Directorate 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 Social Security Investment Board.

Members of the Investment Risks Committee:		
Ms. Dina Al Dabbas ⁽¹³⁾	Chairman	
Dr. Michael Swaidan ⁽¹⁴⁾	Member	
Dr. Anis Al Shatnawi ⁽¹⁵⁾	Member	
Mr. Nidal Al Qubbaj	Risk Management and Strategic Planning Directorate Manager / Committee's Secretary	

Investment Risks 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.

^{(13):} Mr. "Shadi Ramzi" Al Majali was the Chairman of the Investment Risks Committee until April 11, 2023.

^{(14):} Mr. Riyadh AlTaweel was a member of the Investment Risks Committee until April 11, 2023.

^{(15):} Mr. Mamdouh Qaralleh was a member of the Investment Risks Committee until April 11, 2023.

Executive Management

Real Estate Portfolio Directorate:



Equity 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.

The directorate manages the Social Security Investment Fund's investments in public and private shareholding companies and prepares analytical studies on the portfolio's performance and monitors it. In addition to studying new investment opportunities in this sector.

Directorate Manager: Mr. Arafat

Alasad.

Treasury and Loans Directorate:

The directorate manages the Social Security Investment 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 Company for Financial Leasing (a company wholly owned by SSC).



Acting Directorate Manager: Mr. Fadi Alawneh⁽¹⁶⁾

(16):

⁻ Mr. Fadi Alawneh held the position of Treasury and Loans Acting Directorate Manager as of July 30, 2023

⁻ Mrs. Ranya Alaraj held the position of Treasury and Loans Directorate Manager until July 27, 2023.

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 Social Security Investment 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 Social Security Investment Fund's strategic plan, identifies the investment and operational risks related to the Social Security Investment 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



Business Development and Research Unit:

The unit prepares periodic studies and reports on the principal economic and financial indicators and keeps abreast with best practices to import them to the Social Security Investment Fund and benefit from them.

Acting Unit Manager: Mr. Nidal Qubbaj⁽¹⁷⁾

Financial Control Directorate:

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

Directorate Manager: Mrs. Manal Oreiqat



(17):

⁻ Mr. Nidal Qubbaj held the position of Business Development and Research Acting Unit Manager as of October 15, 2023

⁻ Dr.Hamzeh Jaradat held the position of Business Development and Research Unit Manager until September 30, 2023.

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 Social Security Investment Fund's operations, and manages procurement operations from providers.

Directorate Manager: Mr. Dawoud AlFageer



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 Social Security Investment 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

Human Resources Directorate:



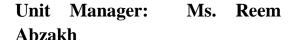
The directorate works to recruit and retain qualified human resources and raise their capacity and skills through an integrated training system, in addition to enhancing the Social Security Investment Fund's institutional overseeing performance bv implementation of the different units and directorates' 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.

Directorate Manager: Mrs. Shorouq

ALSoud

Legal Affairs Unit:

The unit prepares the legislation that governs the Social Security Investment 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 Social Security Investment Fund's work.





Decision Making Support

The unit performs the functions of secretary-general of the Social Security 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 Social Security Investment 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 Social Security Investment Fund's website and social media pages and manages the relationship with the media.

Unit Manager: Ms. Amani Elkayed



Summary of the Strategic Plan (2022-2024)

SSIF recognizes the importance of strategic planning in achieving its objectives, which include efficiently managing the funds of the Social Security Corporation and accomplishing its strategic goals in line with the national goals. SSIF's strategic plan for the years (2022-2024) was approved at the end of 2021. This plan aims to strengthen the Fund's role as a strategic financial investor, targeting participation in large, viable projects in key sectors that add value to the Jordanian economy and have a lasting developmental impact, all while adhering to acceptable risk levels in line with the Fund's investment policy.

SSIF has incorporated several Sustainable Development Goals (SDGs) into its strategic plan for 2022-2024 to contribute to achieving national objectives and implementing the 2030 Sustainable Development Agenda. These goals include:

1. Goals of Ending Poverty and Hunger:

SSIF contributes to these goals by continuously seeking investment opportunities with meaningful returns, within acceptable risk levels, that also help create employment and training opportunities. This, in turn, contributes to societal development and job creation within the community.

2. Goals of Decent Work, Economic Growth, and Gender Equality:

SSIF contributes to these goals by enhancing the professional work environment, improving working conditions, empowering employees, ensuring equal employment opportunities, and promoting women's empowerment.

3. Goals of Clean Energy, Climate Action, and Life on Land:

SSIF contributes to these goals by optimizing the use of non-renewable energy sources, employing energy efficiency systems, and requiring environmental impact studies for any projects or investment opportunities it plans to undertake. Moreover, the Fund is automating its operations and gradually adopting internal and external electronic communications wherever possible

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Strategic Objectives

- 1. Achieving profitable returns within acceptable risk levels to maximize the value and sustainability of Social Security investments.
- 2. Providing the necessary liquidity to meet SSC's future obligations.
- 3. Reinforcing the Fund's role as a long-term national investor.
- 4. Committing to good governance practices and transparency.
- 5. Providing a motivating and supportive working environment for SSIF's work.
- 6. Human resources development of the Social Security Investment Fund.
- 7. Adopting the best international standards and practices.
- 8. Contributing to promote the social responsibility in Jordan.



Investment Policy

SSIF developed the investment policy, which is approved by the Social Security Board of Directors and supervised by the Board of the Social Security Investment Fund. This policy is based on a set of objectives and pillars, enabling the Fund to maintain the strength of its financial position.

Investment Philosophy:

The Fund's investment philosophy aims to manage SSC's assets based on the national economic indicators, strategic directions and investment policy of the Fund, and contributes to the achievement of the Fund's investment policy objectives, which are:



1.Achieve profitable returns on long-term investment within acceptable risk levels.



2. Provide liquidity to finance promising investment opportunities and any future commitments.



3. Augment the size and real value of assets.



4. Maintaine prudence and independence in investment decision-making while adhering to governance principles.



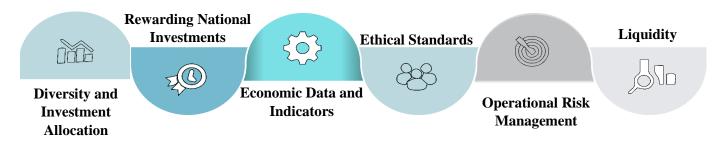
5. Contribute to the enhancement of corporate social responsibility in Jordan.



6. Contribute to financial stability and economic growth in Jordan.

Investment Policy Pillars:

The Fund's investment policy aims to achieve financial sustainability through managing the liquidity and diversify the investments across various financial instruments and economic sectors, focusing on securing liquidity with varying maturities and engaging in viable national investments while considering acceptable risk levels and achieving targeted returns. In addition to taking investment decisions based on economic indicators, assumptions, and the results of feasibility studies. Besides operational risk management using modern and efficient methods, committing to ethical standards and adherence to relevant local and international laws.



- 1. **Liquidity:** The Fund 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, equity (public, private, and mutual funds), loans (including financial leasing loans), real estate, and tourism. This diversity aims to mitigate the correlation between the overall portfolio's assets, mitigate investment risks and maintain the real 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 based on the recommendation of the Investment Board, and subject to the approval by the Council of Ministers, as stipulated in the Social Security Investment Fund and the Investment Board Bylaw No. 97 of 2014.

- **3. Feasible National Investment:** The Fund gives priority to national mega projects to achieve the targeted returns within acceptable risk levels and which are consistent with the Fund's objectives.
- **4. Economic Data and Indicators:** Investment decisions making based on domestic and international economic data and indicators, avoiding investments in instruments that do not align with economic realities or speculations.
- **5. Operational Risk Management:** Implementing the best international procedures in its operational investments and establishing adequate control measures to ensure the safety and security of investments. This includes segregation of duties and engaging with a highly rated custodian, if needed.
- **6. Ethical Standards:** No investments are made by the Fund in areas restricted domestically, or incompatible with the general ethical standards or that do not take into account the public interest.

Investments



SSIF is a key pillar of the national economy, with its assets diversified across various financial instruments in key economic sectors across all governorates and regions of the Kingdom. These sectors include banking, mining, tourism, service, energy, real estate, financial leasing, agriculture, pharmaceuticals, and development areas, in addition to financing major projects in the health, transportation, and logistics sectors through leasing facilities.

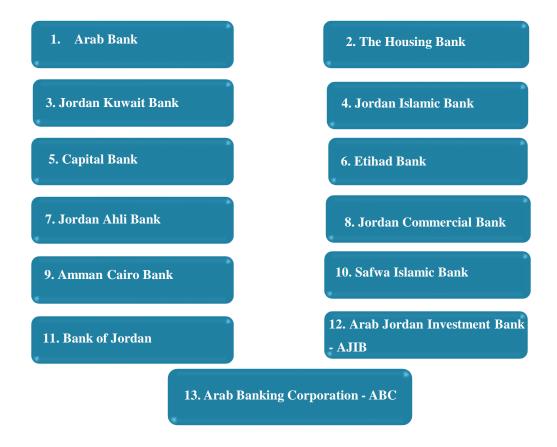
SSIF's investments contribute to enhancing the value of the fund's investment portfolio and ensuring the financial sustainability for social security, in addition to playing a vital role in promoting the economic activity, creating jobs, and supporting the achievement of sustainable development goals.

Banking Sector:

Investment in the banking sector is one of the most prominent investments of the fund in Amman Stock Exchange, as this sector is a key driver of Jordanian economy through its activities and services, including financing major economic projects and small businesses, as well as supporting promising sectors such as information technology, tourism, and renewable energy. Additionally, this sector is a major employer of highly skilled local human resources.



The Fund has a strategic stake in 13 commercial and Islamic banks, with different ownership rates.



Mining:

Mining sector is one of the largest industrial sectors in Jordan, characterized by significant investments, the employment of local labor, and meeting the market demand for primary, intermediate, and final products. It also represents a substantial portion of Jordan's exports abroad.

The Fund holds strategic investments in several major companies within the manufacturing sector, including Jordan Phosphate Mines Company, Arab Potash Company, and Jordan Cement Factories Company – Lafarge.



Services:

The services sector accounts for approximately two-thirds of Jordan's GDP and serves as the primary driver of the national economy, generating about three-quarters of the jobs created by the Jordanian economy as a whole. Additionally, the sector plays a vital role in fostering innovation and technological advancement.

SSIF invests in public shareholding companies within the services sector, like Orange, Jordan Duty Free Shops, and Royal Jordanian Airlines, in addition to a number of insurance companies and financial service firms.

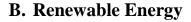


Energy:

A. Traditional Energy:

SSIF diversifies its investments in the energy sector by investing in the oil refinery, electricity generation and distribution, in addition to renewable energy projects.

The Fund owns stakes in Jordan Petroleum Refinery Company, Jordan Electric Power Company (JEPCO), Central Electricity Generating Company (CEGCO), and Kingdom Electricity Company (KEC). In addition to its indirect investments through the Kingdom Electricity Company in the Electricity Distribution Company, Irbid District Electricity Company, and Zarqa Electricity Generating Company (Hussein Thermal Power Station).



The Fund has established and operates three power plants in the Jordanian Valley to supply electricity to SSIF and the branches of SSC across various governorates, as well as hotels owned by the SSC.





Pharmaceuticals:

Pharmaceuticals considered one of the value-added sectors to the national economy and contributes to promote the role of research and development. The Fund holds strategic shares in leading pharmaceutical companies that have achieved regional and international success stories, which are Hikma Pharmaceuticals and Dar Al-Dawa.

Real Estate:

SSIF owns lands and commercial buildings distributed over many Kingdom's governorates amounted around JD 845 million. And it develops and leases lands and properties through contracts, some of which are long-term agreements under the BOT system.



Tourism:

SSIF owns a chain of 5 and 4 stars hotels that are managed by the Intercontinental Hotels Group (IHG) and supervised by the National Tourism Development Company – a wholly owned for SSC.

The hotels are:

- 1- Crowne Plaza Hotel Amman.
- 2- Crowne Plaza Hotel Dead Sea.
- 3- Holiday Inn Dead Sea.
- 4- Crowne Plaza Hotel Petra/ Under renovation.
- 5- Petra Guest House.
- 6- InterContinental Hotel Aqaba.

These hotels created 1300 permeant jobs.



Also, SSIF owns 2 hotels in Amman and Madaba, and a number of rest houses that are managed by Jordanian investors located in touristic destinations.

Additionally, SSIF owns shares in a number of leading companies with major tourism projects, like: Eagle Hills Jordan (Saraya Al-Aqaba), Zara Investment Holding (Intercontinental/Amman, Grand Hyatt/Amman, Movenpick Hotels/Dead Sea, Petra, and Aqaba), International Hotel and Commercial Markets Company (Sheraton Hotel/Amman), Business Tourism Company (Marriott Hotel/Dead Sea), Jordan Projects For Tourism Development (Tala Bay Aqaba), and Daman for Investments (Aqaba Gate, and Movenpick Hotel/Amman).

Development areas:

established The Fund A1 Daman for Development Zones Company (DDC) in 2009, as a private shareholding company wholly owned by SSC. This company serves as the investment arm of SSIF, focusing development, infrastructure services, and marketing for King Hussein Bin Talal Development Ares in Mafraq and Irbid Development Ares. Both areas were declared as special economic development areas under Royal Initiatives.

The company holds 80% shares in Mafraq Development Corporation, which is responsible for developing King Hussein Bin Talal Development Zone, spanning 21,000 dunums. The company invests in various industrial sectors, logistics services, and renewable energy. Total investments in the area have reached approximately JD 500 million, including 58 operational, under-construction, and in-design factories across diverse industrial sectors, offering around 1,300 permanent jobs.



The area has attracted four solar energy projects with capacity of 175 megawatts and a total investment of JD 165 million, creating 200 jobs during the implementation phase.

Additionally, DDC holds 100% of the capital of North Development Corporation in Irbid, serving as the main developer for Irbid Development Area, which spans 1.8 square kilometers. Investments in Irbid Development Area are focused on information technology, telecommunications, and support services sectors. The area has attracted 8 investments, with a total of JD 40 million, and has created 2,300 jobs.

≫Financial Leasing:

The Fund established Daman Company for Financial Leasing in 2016, with the aim of financing major infrastructure projects across governorates of Jordan, including sectors such as health, transportation, and services, in addition to contributing to creating training and employment opportunities.

The company finances several projects, including New Amman Customs Depot in Madouna, Tafileh Public Hospital, which was inaugurated in 2022 with capacity of 150 beds, Ma'an Military Hospital, also with capacity of 150 beds, as well as the Bus Rapid Transit Project (BRT) connecting Amman and Zarqa.



Agriculture:

As part of the Fund's efforts to increase its investments in the green economy, and in alignment with the Royal Vision to achieve significant levels of food security for certain strategic crops, the Fund established Daman Investment and Agricultural Industries Company (DIAI) in 2020, which started operating at the end of 2021.

In 2023, DIAI initiated the second phase of the agricultural project in the Al-Mudawara area in the southern region of the Kingdom, where crops such as wheat, potatoes, silage corn, onion, watermelon and animal feed are currently being cultivated.

The project is managed and operated by Jordanian professionals within the company, alongside partnerships with several Jordanian private sector investors. The company has created over 110 jobs for engineers and agricultural workers, 90% of whom are from Al-Mudawara area and southern governorates. Additionally, it has provided 80 seasonal jobs, 50% of which are for women from the local community.



Strategic Partnership with the Private Sector

Collaboration with the private sector constitutes a fundamental pillar of the SSIF's operations, instrumental in advancing its strategic objectives and sustaining the success of its initiatives. These alliances play a pivotal role in bolstering the national economy by driving the localization of investments and attracting foreign capital, thereby stimulating broader economic growth.

Over the years, such partnerships have evolved into a distinguished model for business governance in Jordan. As a prominent financial investor, SSIF forges enduring partnerships with private sector stakeholders—spanning local, regional, and international actors—who invests in the companies in which Social Security holds equity. This includes operators entrusted with managing investments either fully or partially owned by SSIF.



Risk Management and Business Continuity

Risk Management

SSIF adopts a comprehensive risk management policy encompassing both investment and operational risks, aligned with its objectives and activities. It identifies and assesses potential impacts, devising mechanisms to address them with the goal of achieving the targeted investment returns for each portfolio within acceptable risk thresholds.

Furthermore, SSIF implements an information and cybersecurity policy in accordance with the international best practices. It also prioritizes the engagement of its employees in workshops and lectures on information security and cybersecurity, conducted either by experienced SSIF personnel for their colleagues or by various specialized entities.

Business Continuity:

SSIF has formed a "Crisis Management Team" tasked with developing a business continuity plan for emergency situations. This plan is grounded in professional and prudent principles, encompassing crisis analysis and management planning. It aims to maximize the efficient use of available resources and capabilities to effectively address potential crises and mitigate their impact on the continuity of operations.

Sustainable Development

SSIF adopts a strategic approach aimed at generating substantial and sustainable returns on its diverse investments, while also ensuring a positive impact on the environment and society. This approach is rooted in the Fund's vision of "responsible investing" and has been institutionalized through the adoption of several Sustainable Development Goals (SDGs) and Environmental, Social. and Governance standards (ESG).

Moreover, SSIF voluntarily publishes an annual Sustainability Report to highlight its key achievements in financial and institutional sustainability, as well as the societal and environmental impact of its investments.









Digitalization

Through its operational plan aligned with the targets of the National Digital Transformation Strategy (2021-2025), SSIF has developed a pioneering digital infrastructure. This infrastructure is built upon the utilization of integrated data management systems that provide real-time data access to SSIF employees, along with the provision of necessary equipment and devices. The aim is to enhance productivity, increase efficiency, and ensure business continuity.



SSIF also demonstrates remarkable agility in adapting to rapid technological advancements and adopting cutting-edge technologies. This includes the integration of advanced security, networking systems, automation solutions, and artificial intelligence, all of which significantly bolster the Fund's operational and technical capabilities, facilitated by its connection to the secure government network.

Moreover, SSIF is committed to cultivating an organizational culture that fully embraces the evolving digital landscape. In pursuit of this vision, SSIF has instituted a comprehensive digital competency and awareness development strategy. This initiative actively involves employees across all hierarchical in government-led seminars and levels workshops, complemented by specialized training programs that focus on cutting-edge domains such as digital transformation, cybersecurity, and artificial intelligence. Through this, SSIF works to equip its workforce with the skills necessary to navigate and thrive in an increasingly digitalized world.

Performance of the National Economy 2023



Summary of Performance of the National Economy 2023

The Jordanian Economy in 2023

The Jordanian economy demonstrated resilience in navigating the diverse geopolitical challenges of the region, foremost among them the aggression on Gaza Strip. Despite these adversities, the economy achieved a moderate growth rate of 2.6% in 2023.

In the following section, we will review the key performance indicators of the national economy for the year 2023. The first section will address the Gross Domestic Product (GDP) and unemployment rates, while the second section will focus on price developments and inflation rates. The fiscal and monetary policies will be examined in the third and fourth sections, respectively. The fifth section will cover significant developments in the balance of payments, which reflects the national economy's relationship with other global economies. Finally, the developments in Amman Stock Exchange will be discussed.

1. GDP and Unemployment:

In 2023, the national economy recorded positive growth of 2.6%, compared to a growth rate of 2.4% in 2022, despite a slowdown in the final quarter of the year. The economy achieved an average growth rate of 2.7% during the first three quarters of 2023, before declining to 2.3% in the last quarter. This growth was largely driven by the robust performance of several key economic indicators.

The economic expansion over the past three years contributed to a gradual reduction in the unemployment rate in the Kingdom. After peaking at 24.1% in 2021, the unemployment rate decreased progressively, reaching 22% in 2023, following a rate of 22.8% in 2022.

2. Inflation Rates

The domestic inflation rate, calculated based on the relative change in the Consumer Price Index (CPI), witnessed a notable decline in 2023, registering at 2.1%, compared to 4.2% in 2022. This significant decrease can be attributed to the easing of global inflationary pressures alongside the implementation of balanced local economic policies.

When examining the monthly inflation rates for 2023 on an annual basis, several fluctuations were observed. The inflation rate peaked in February, reaching 4.25%, before gradually declining to its lowest point in August, recording 0.88%. It then began a gradual ascent in the final third of the year, reaching 1.64% in December.

3. Fiscal Policy and Public Debt

- **Fiscal Policy:** The overall budget deficit after foreign grants increased by approximately 307.6 million dinars in 2023 compared to 2022, reaching around JOD 1,860 million (5.2% of GDP), compared to a deficit of approximately JOD 1,552 million (4.5% of GDP) in 2022. Excluding foreign grants, the deficit in 2023 amounted to approximately JOD 2,572 million (7.1% of GDP) compared to approximately JOD 2,345 million in 2022 (6.8% of GDP).
- **Public Debt:** Public debt rose by approximately JOD 2.7 billion in 2023, bringing the total to approximately JOD 41.2 billion by the end of the year. As a result, the ratio of public debt to GDP reached approximately 114.1% by the end of 2023, compared to JOD 38.5 billion and 111.4% of GDP at the end of 2022. The total public debt was divided between domestic and external debt, with domestic debt amounting to approximately JOD 22.5 billion, and external debt standing at approximately JOD 18.7 billion as of the end of 2023.

4. Monetary policy and the banking sector

The Central Bank of Jordan (CBJ) continued its deflationary monetary policy during 2023 and less than 2022, with the aim of controlling inflation rates and maintaining monetary and financial stability while maintaining a comfortable margin of interest on the Jordanian dinar against interest on the United States dollar in order to raise the value of the Jordanian dinar.

As for the banking sector indices for 2023, cash in circulation fell by 3.8% to reach around JD 5.8 billion compared to around JD 6 billion at the end of 2022. Total deposits licensed banks increased by JD 1.6 billion by 3.9% amounted to reach around JD 43.7 billion. The increase in deposits came from an increase in deposits in Jordanian dinar.

5. The external sector

Some external sector indices of the national economy in 2023 is seen improved despite the regional circumstances and challenges resulting from the consequences of the war on Gaza that erupted during the last quarter of the year.

The balance of services account increased by 62.8% in 2023, due to a 27.4% rise in tourism income. In addition, the commodity balance deficit decreased by 11% as the value of imports fell further than the value of total exports.

The current account deficit (including grants) fell to 3.5% of GDP in 2023, compared to a 7.8% deficit in 2022.

CBJ was able to maintain comfortable levels of foreign currency reserves in 2023. These reserves reached roughly \$18.1 billion at the end of 2023 compared to \$17.3 billion at the end of 2022. As a result, the level of reserves' coverage of imports reached roughly 7.9 months at the end of 2023 compared to 7.5 months at the end of 2022.

6. The financial market

Amman Stock Exchange (ASE) weighted stock price index fell by 2.8% in 2023 compared to its level in 2022, reaching 2431.2 points, marking a decline of 70.4 points. As a result, the industrial sector index fell by around 10.8%, the services sector index fell by around 5.6%, and the financial sector index rose by around 1.4%.

Accordingly, the market value of shares listed on the ASE fell by around JD 1.1 billion to around JD 16.9 billion, a decline of 5.9%. Thus, the market value of shares listed on ASE accounted for 47% of GDP in 2023 compared to around 52.1% of GDP for 2022.

Financial Performance



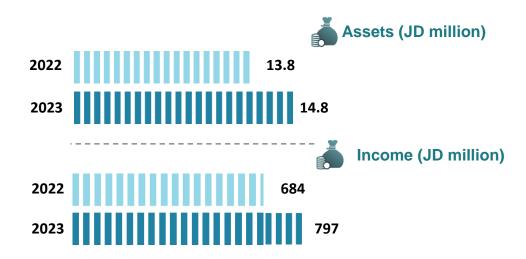
The Financial Performance of the Fund 2023

The Social Security Investment Fund (SSIF) achieved positive financial results in 2023, attributed to its continued strategic expansion in investments characterized by high, stable returns and low risk, such as treasury bonds, which showed growth in returns during 2023. Additionally, the Fund's other investment portfolios also generated positive returns throughout the year.

This chapter of the report examines the financial performance of the Fund, divided into four main sections. The first section provides a summary of the Fund's financial performance in 2023. The second section reviews the growth of the Fund's total assets since it commenced operations in 2003 up to the end of 2023. The third section presents the distribution of assets and the changes in this distribution over the last five years (2019-2023). The final section covers the development of investment returns across the Fund's portfolios for the same period.

First: Summary of the Fund's Financial Performance in 2023

The Fund delivered positive results in 2023, with total assets increasing by 7.5%, reaching approximately JD 14,838 million at the end of 2023, compared to around JD 13,803 million at the end of 2022. Additionally, the Fund's net income for 2023 saw a rise of 16.5%. The net income reached approximately JD 797 million in 2023, up from around JD 684 million in 2022, marking an increase of approximately JD 113 million.



The weightings of the SSIF's investment portfolios experienced slight changes during 2023 compared to 2022, influenced by the economic and financial developments within the national economy throughout the year. The weight of the bonds portfolio increased as well as the weights of both the money market instruments and loans portfolios, albeit marginally. In contrast, the weight of the equities portfolio declined, along with slight decreases in the weights of the real estate and tourism investment portfolios.

The changes in the portfolios that saw an increase in weight were varied. The bonds portfolio constituted approximately 57.3% of total assets at the end of 2023, compared to about 55.7% at the end of 2022. The money market instruments portfolio accounted for around 13.7% of the Fund's total portfolios at the end of 2023, up from 13.2% at the end of 2022. Additionally, the loans portfolio's weight increased from about 3.3% at the end of 2022 to 3.7% at the end of 2023.

As for the portfolios that witnessed a decrease in their weights, data indicates that the equities portfolio dropped from 18.1% at the end of 2022 to 15.8% at the end of 2023. The weight of the real estate investment portfolio decreased to about 5.8% at the end of 2023, compared to approximately 6.0% at the end of 2022. Similarly, the tourism investment portfolio's weight declined to around 2.1% at the end of 2023, down from 2.3% at the end of 2022.

The SSIF regularly reviews its investment distribution by preparing and evaluating its strategic plan as part of its ongoing efforts to deploy its financial resources with the highest efficiency, aiming to achieve the highest possible returns with minimal risk while responding to current and future economic and financial developments. In preparing its strategic plan for the years 2022-2024, the Fund reviewed its asset allocation and discussed its strategic directions, guided by its vision, mission, and core values, aligning with national visions and goals. This process also took into consideration future developments and expectations of the global and regional economies and their impact on the national economy.

In light of the government issuing the Economic Modernization Vision and Public Sector Modernization Vision in 2023, the SSIF updated its objectives to align with these visions and released a document outlining how its strategic goals contribute to

both the Economic Modernization Vision and the Public Sector Modernization Vision.

Recognizing the importance of sustainable development in its operations and investments, and its impact on improving both the Fund's financial performance and the Jordanian economy overall, SSIF has incorporated Environmental, Social, and Governance principles (ESG) as well as the Sustainable Development Goals (SDGs) into the objectives of its strategic plan for 2022-2024.

Second: The Development of Assets 2003-2023

Since its establishment in 2003, the SSIF's assets have grown from approximately JD 1.6 billion at the beginning of 2003 to about JD 14.8 billion by the end of 2023, with an average annual growth rate of around 12.4%. The Fund has achieved positive growth rates throughout this period, with the exception of 2006 and 2008.

Following the development of the Fund's assets over the past ten, five, and three years, in line with global best practices in reporting pension fund performance, we find that the Fund's assets have achieved an average growth rate of 9.3%, 7.9%, and 9.9% over the last 10, 5, and 3 years, respectively.

In 2023, the total assets of the Fund increased by around JD 1.03 billion compared to the end of 2022, reaching approximately JD 14.8 billion at the end of 2023, up from about JD 13.8 billion at the end of 2022, representing a growth rate of 7.5%. This growth was primarily driven by the expansion of the investment portfolios, particularly the bonds portfolio, which grew as a result of the Fund's subscription to several new treasury bond issuances, characterized by stability, high returns, and low associated risks. Additionally, the real estate investment portfolio grew as a result of the increased market value of properties and the Fund's acquisition of new land, as well as surplus cash transferred from the institution to the Fund during the year.

The following chart (Figure 1) illustrates the development of the Fund's assets from its establishment in early 2003 to the end of 2023.



Figure (1): Development of the Fund's Assets (2003-2022)

Third: Distribution of Assets 2019-2023

The SSIF allocates its assets across various investment portfolios to achieve sustainable and worthwhile returns on the assets of the Social Security Corporation, ensuring the necessary liquidity to meet the institution's future obligations, and contributing to the growth of the national economy. The Fund applies the principle of investment diversification by distributing assets across different portfolios to minimize overall risk, ensuring diversification at the level of each portfolio. This approach is based on scientific and professional principles and aligns with global best practices for similar investment institutions, guided by the Fund's general investment policy and strategic plan.

The Fund periodically reviews its targeted asset distribution through its strategic plan, which is reassessed every three years, taking into account economic and financial developments in the global, regional, and national economies, as well as the results of the actuarial studies conducted by the Social Security Corporation every three years.

Over the past five years, the distribution of the Fund's investment portfolios has undergone several changes, most notably a shift towards fixed-income instruments such as bonds and money market instruments. This shift is primarily due to the stability of returns on these instruments and their lower risk compared to other investment options.

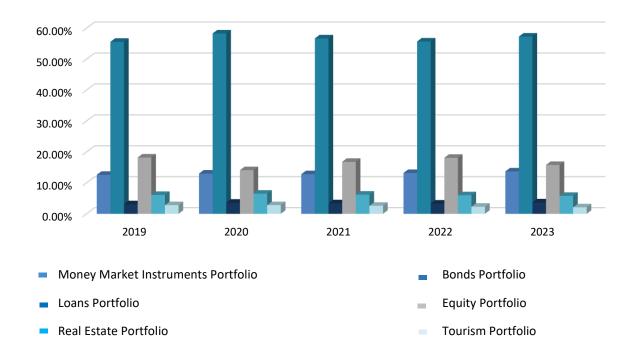


The following table (Table 1) presents the comparative distribution and development of the investment portfolios over the past five years (2019-2023), while the subsequent chart (Figure 2) illustrates the relative distribution of these investment portfolios as a percentage of total assets annually for the same period.

Table (1): Comparative Distribution of Investment Portfolios (2019-2023)
(JD Million)

	2019	2020	2021	2022	2023
Money Market Instruments	1,353	1,434	1,558	1,809	2,023
Portfolio	1,000	1,10.	1,000	1,000	_,====
Bonds Portfolio	5,970	6,410	6,894	7,645	8,446
Loans Portfolio	331	396	412	448	546
Equity Portfolio	1,950	1,555	2,041	2,480	2,330
Real Estate Portfolio	659	717	748	817	851
Tourism Portfolio	298	308	314	318	314
Others	436	347	374	287	328
Fund's Total Assets	10,997	11,168	12,341	13,803	14,838

Figure (2): Percentage Distribution of the Investment Portfolio (2019-2023) (%)



The following is a brief on the important developments to each portfolio of the Fund's portfolios for the past five years.

1. The Money Market Instruments Portfolio:

Money Market Instruments Portfolio is characterized by its high liquidity and low risk, as its maturity period does not exceed one year upon acquisition. The portfolio has maintained relatively stable proportions of the Fund's total assets during the period from 2019 to 2023, with its value increasing year after year.

By the end of 2023, the share of the Money Market Instruments Portfolio in relation to the Fund's total assets increased to approximately 13.7%, up from about 13.2% at the end of 2022 and 12.6% at the end of 2019. The total value of this portfolio grew to about JD 2,023 million by the end of 2023, compared to approximately JD 1,809 million at the end of 2022 and around JD 1,353 million at the end of 2019.

The Money Market Instruments Portfolio consists of three main components: current accounts, term deposits (all placed with local banks), and treasury bills. Over the past five years, term deposits made up, on average, about 96.4% of this portfolio, while treasury bills accounted for approximately 3.6%, with the remaining portion held in current accounts.

Table 2 below shows the total value and main components of money market instruments portfolio from 2019 to 2023.

Table (2): Distribution of Money Market Instruments Portfolio (2019-2023)
(JD Million)

Year	2019	2020	2021	2022	2023
Current Accounts	0.2	0.3	0.4	0.8	0.3
Term Deposits	1,353	1,434	1,558	1,664	1,823
Treasury Bills	0	0	0	144	199
Total	1,353	1,434	1,558	1,809	2,023

2. The Bonds Portfolio:

The Bonds Portfolio consists of three types of bonds: treasury bonds, public institution bonds, and corporate bonds. Treasury bonds make up the largest portion of this portfolio, averaging about 97.6% of the total portfolio over the past five years. Corporate bonds accounted for around 2%, while public institution bonds constituted less than 0.5% on average.

The preference for investing in treasury bonds stems from their stable returns and low risk. The total value of the Bonds Portfolio has increased year-on-year over the period 2019-2023, reaching approximately JD 8,446 million by the end of 2023, compared to around JD 5,970 million at the end of 2019. By the end of 2022, its value stood at about JD 7,645 million.

Despite the overall increase in the portfolio's total value over the last five years, its share of the total investment portfolios remained relatively stable, with slight variations during this period. The Bonds Portfolio represented around 57.3% of the total investment portfolios at the end of 2023, compared to approximately 55.7% at the end of 2022, 56.7% at the end of 2021, 58.3% at the end of 2020, and about 55.6% at the end of 2019. Table 3 below shows the development of the bonds portfolio and its components from 2019 to 2023.

Table (3): Distribution of Bonds Portfolio (2019-2023) (JD Million)

Item/ Year	2019	2020	2021	2022	2023
Treasury Bonds	5,793	6,249	6,710	7,505	8,266
Public Institution Bonds	41	41	37	22	22
Corporate Loan Bonds	136	120	147	119	158
Total	5,970	6,410	6,894	7,645	8,446

3. The Loans Portfolio:

The Loans Portfolio witnessed a gradual increase during the period from 2019 to 2023, reaching a value of JD 546 million by the end of 2023, compared to JD 448 million at the end of 2022 and around JD 331 million at the end of 2019. The share of the Loans Portfolio in relation to the Fund's total assets also rose from approximately 3.1% at the end of 2019 to around 3.7% at the end of 2023.

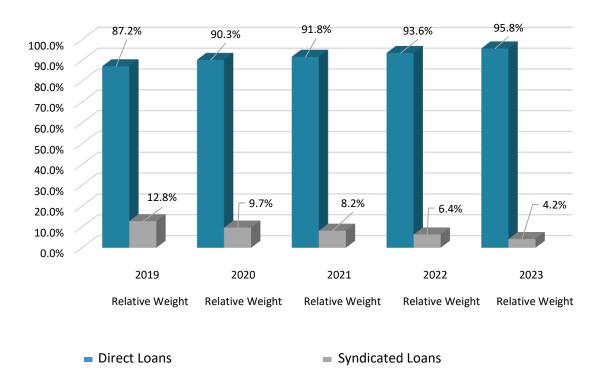
The Loans Portfolio consists of two main components: direct loans and syndicated loans. Direct loans accounted for an average of 91.7% of the total Loans Portfolio over the past five years, while syndicated loans represented about 8.3% on average during the same period. It is worth mentioning that most direct loans were provided through Daman Company for Financial Leasing to public institutions, government departments, and government-owned companies.

Table 4 below shows the total value and main components of bonds portfolio from 2019 to 2023, while the subsequent chart (Figure 3) illustrates the evolution of the relative distribution of this portfolio over the same period.

Table (4): Distribution of Loans Portfolio (2019-2023) (JD Million)

Item/ Year	2019	2020	2021	2022	2023
Direct Loans	289	358	2021	419	523
Syndicated Loans	42	38	378	29	23
Total	331	396	34	448	546

Figure (3): Percentage distribution of the equity Portfolio (2019-2023) (%)



4. The Equity Investment Portfolio:

The Equity Investment Portfolio experienced significant changes in its market value over the past five years (2019-2023). Its value increased from approximately JD 1,950 million at the end of 2019 to about JD 2,330 million at the end of 2023. However, the portfolio recorded a 6.1% decline at the end of 2023 compared to its value of JD 2,480 million at the end of 2022. This decrease was primarily due to the drop in the market value of stocks listed on the Amman Stock Exchange, which fell by 5.9% by the end of 2023 compared to their value at the end of 2022.

The Equity Investment Portfolio's share of the total investment portfolios stood at around 15.8% by the end of 2023, down from approximately 18.1% at the end of 2022. On average, the portfolio represented about 16.6% of total assets over the past five years.

Figure 4 below shows the development of the evolution of the relative distribution of the equity portfolio of total portfolios from 2019 to 2023.

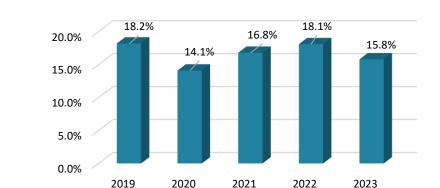


Figure (4): Percentage distribution of Equity Portfolio (2019-2023) (%)

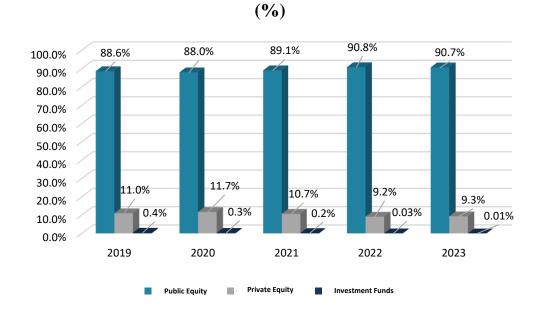
The Equity Investment Portfolio consists of three main components: public contributions, private contributions, and investment funds. Public company shares accounted for an average of 89.4% of the total equity portfolio over the period 2019-2023, while private contributions made up about 10.4%, and investment funds constituted approximately 0.2% of the total portfolio during the same period.

Table 5 below shows the total value and composition of the Equity Investment Portfolio from 2019 to 2023, while the subsequent chart (Figure 5) illustrates the evolution of the relative distribution of this portfolio over the same period.

Table (5): Distribution of the total Equity Portfolio (2019-2023) (JD Million)

Item	2019	2020	2021	2022	2023
Public Equity	1,728	1,369	1,818	2,252	2,112
Private Equity	214	182	219	227	217
Investment Funds	8.3	4.7	3.8	0.8	0.2
Total	1,950	1,555	2,041	2,480	2,330

Figure (5): Percentage distribution of the total Equity Portfolio (2019-2023)



5. Real Estate Investment Portfolio:

The Fund targets the real estate sector as a key investment tool within its investment portfolios due to the sector's reputation for safety and stability. The primary objective of real estate investments is to achieve an appreciation in the market value of these properties over the years, making it one of the most effective hedges against inflation risks. Additionally, real estate investments provide a stable cash flow from leased properties. Therefore, the Fund aims to expand its real estate portfolio by acquiring more land and properties across various regions of the Kingdom, with different zoning regulations, while continuously exploring opportunities to develop these assets.

Tracking the total value of the real estate investment portfolio over the past five years (2019-2023) reveals consistent growth, increasing from approximately JD 659 million at the end of 2019 to around JD 851 million by the end of 2023, with an average annual growth rate of about 7.3%. Despite the overall increase in the portfolio's value, its share of the Fund's total assets declined in the last three years compared to 2020, dropping from about 6.5% in 2020 to 6.2% in 2021, 6.0% in 2022, and 5.8% in 2023. This decrease was due to the Fund's assets in other investment portfolios growing at rates that exceeded the growth of the real estate portfolio.

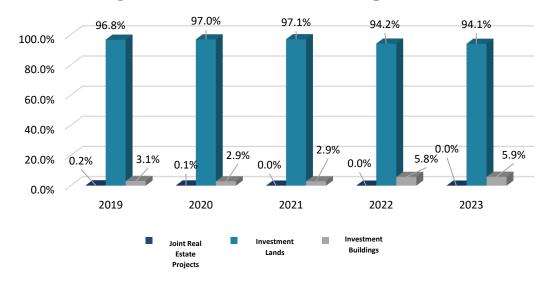
The real estate portfolio consists of two main components: lands and Commercial buildings, with a small portion involving joint projects with specialized institutions, which represent a marginal share of the total portfolio. Investment lands constitute the majority, averaging about 95.8% of the portfolio during the period from 2019 to 2023. The Fund also develops and leases numerous lands and properties, some of which are leased on a long-term basis under the BOT (Build-Operate-Transfer) model. Investment buildings represented around 4.1% of the portfolio on average during the same period. Diversification within the portfolio is achieved by varying investments across different governorates and real estate zoning classifications.

Table 6 below provides details on the total value and main components of the real estate investment portfolio from 2019 to 2023, while the subsequent chart (Figure 6) presents a graphical representation of the relative distribution of the portfolio during the same period.

Table (6): Distribution of the real estate portfolio (2019-2023) (JD Million)

Item	2019	2020	2021	2022	2023
Joint Real Estate Projects	1	1	0	0	0
Investment Lands	638	695	727	770	801
Investment Buildings	20	21	21	47	50
Total	659	717	748	817	851

Figure (6): Percentage distribution of the real estate portfolio (2019-2023) (%)



6. Tourism Investment Portfolio:

The Fund holds both direct and indirect investments in the tourism sector across different regions of the Kingdom. The Tourism Investment Portfolio primarily consists of investments in several five-star hotels, geographically distributed across the capital, Amman, as well as the cities of Aqaba, Petra, and the Dead Sea area. The total value of this portfolio experienced consecutive increases during the period 2019-2022, mainly due to several new projects in this sector. However, it declined by approximately JD 3 million at the end of 2023 due to the reclassification of the

Amman Paradise Hotel (formerly Amman Cham Palace), which was transferred from the tourism investment portfolio to the real estate investment portfolio.

The value of the tourism portfolio rose from around JD 298 million at the end of 2019 to approximately JD 314 million by the end of 2023. However, its share of the Fund's total investment portfolios experienced a slight decrease over these years, dropping from around 2.8% at the end of 2019 to about 2.1% at the end of 2023. This decline resulted from the higher growth rates of several other portfolios compared to this one. On average, the tourism portfolio accounted for approximately 2.5% of the Fund's total assets over the past five years.

Table 7 below provides details on the total value and main components of the tourism portfolio from 2019 to 2023.

Table (7): Distribution of the tourism portfolio (2019-2023) (JD Million)

Item	2019	2020	2021	2022	2023
Crowne Plaza Hotel- Dead Sea	96	96	101	101	101
InterContinental Hotel – Aqaba.	56	56	59	59	60
Holiday Inn- Dead Sea.	45	45	48	48	48
Crowne Plaza Hotel - Amman.	32	32	40	40	40
Crowne Plaza Hotel – Petra.	14	14	14	14	14
Amman Paradise Hotel (formerly Amman Cham Palace) *	10	10	10	10	0
Projects under implementation	45	55	43	47	52
Total	298	308	314	318	314

^{*}During 2023, Amman Paradise Hotel (formerly Amman Cham Palace) was removed from the tourism portfolio and added to the real estate portfolio.

Fourth: Investment Returns for the Period 2019-2023

The Fund successfully achieved an increase in its investment returns over the past five years, with a growth rate of approximately 43.3%. The net income from the Fund's investment portfolios rose from around JD 556.2 million in 2019 to about JD 797 million in 2023, representing an average annual growth rate of approximately 13.6%.

Regarding the growth in investment returns in 2023 compared to 2022, the net income increased by approximately JD 113 million, or 16.5%, reaching about JD 797 million at the end of 2023 compared to around JD 684 million at the end of 2022. This growth was driven by increased returns across most investment portfolios. Specifically, the bond portfolio's return increased by approximately JD 52 million, representing a 12.2% rise; the money market instruments portfolio saw an increase of about JD 47 million, or around 67%; the equity investment portfolio's return grew by about JD 26 million, or 21%; and the loans portfolio's return increased by approximately JD 18 million, representing a significant rise of about 164.7%.

Table 8 below presents the investment returns achieved across the Fund's different portfolios along with the administrative expenses from (2019-2023).

Table (8): Portfolio revenues and expenditures (2019-2023) (JD Million)

Item	2019	2020	2021	2022	2023
Money Market Instruments Portfolio	78	58	56	70	118
Bonds Portfolio	322	379	403	431	484
Loans Portfolio	16	19	21	11	29
Equity Portfolio	113	36	92	122	148
Real Estate Portfolio	8	2	16	46	21
Tourism Portfolio	24	20	10	9	7
Other Revenues	(4)	(6)	(5)	(5)	(9)
SSIF Net Income	556	509	593	684	797

Standalone Financial Statements 2023



SOCIAL SECURITY CORPORATION -

SOCIAL SECURITY INVESTMENT FUND

SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2023



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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 separate financial statements of Social Security Investment Fund (the "Fund"), which comprise the separate statement of financial position as at 31 December 2023, and the separate statement of revenues and expenses, separate statement of comprehensive income, separate statement of changes in Social Security Corporation equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of material accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2023, 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 2023 in accordance with International Financial Reporting Standard.
- The financial statements have been prepared for management purposes only, and as a result, these financial statements may not be suitable for any other purposes. Our report is intended solely for the management of the fund and should not be distributed or used by any party other than the management.



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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of separate 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 Separate 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 separate 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 separate 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 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 statements.



Amman – Jordan 22 July 2024

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

	Notes	2023	2022
<u>Assets</u>			
Bank balances	4	333	950
Deposits at banks and financial institutions	5	1,825,707	1,669,798
Financial assets at fair value through profit or loss	6	141,795	146,126
Loans and granted debts	7	545,591	447,858
Financial asset at fair value through other			
comprehensive income	8	1,529,187	1,684,281
Investments in subsidiaries	9	287,014	301,229
Investments in associates	10	371,583	348,263
Financial assets at amortized cost	11	8,735,986	7,869,691
Due from related parties	25/A	28,818	30,144
Investment properties	12	850,943	817,164
Investments in joint operations	13	15	15
Investments in hotels	14	262,753	271,092
Property and equipment	15	5,404	5,453
Other assets	16	252,952	211,187
Total assets		14,838,081	13,803,251
Liabilities and Social Security Corporation Equity			
Liabilities -			
Other liabilities	17	19,886	20,651
Income tax provision	26	512	535
Total liabilities		20,398	21,186
Social Security Corporation Equity -			
Social Security Corporation current account		7,409,339	7,026,832
Social Security Corporation current account –		,,	, ,
Unemployment Fund	18	93,573	84,910
Fair value reserve	27	587,384	720,823
Accumulated surplus of revenues over expenses		6,727,387	5,949,500
Total Social Security Corporation Equity		14,817,683	13,782,065
Total liabilities and Social Security Corporation Equity	,	14,838,081	13,803,251

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND SEPARATE STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2023 (IN THOUSANDS OF JORDANIAN DINARS)

	Notes	2023	2022
Revenues -			
Interest income (Losses) gains of financial assets at fair value through	19	638,193	531,246
profit or loss, net	20	(3,912)	10,542
Gains on investment properties, net	21	18,260	45,969
Dividends distribution	22	151,437	111,313
Other income, net		189	1,402
		804,167	700,472
Expenses -			
Administrative expenses	23	(5,041)	(3,959)
Expected credit losses		(1,102)	(11,540)
Surplus of revenues over expenses for the year before income tax		798,024	684,973
Income tax expense	26	(911)	(779)
Surplus of revenues over expenses for the year		797,113	684,194

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023 (IN THOUSANDS OF JORDANIAN DINARS)

	2023	2022
Surplus of revenues over expenses for the year	797,113	684,194
Add: other comprehensive income items not to be reclassified to revenues and expenses in subsequent periods		
Change in the fair value of financial assets at fair value through other comprehensive income	(147,838)	424,102
Total comprehensive income for the year	649,275	1,108,296

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND SEPARATE STATEMENT OF CHANGES IN SOCIAL SECURITY CORPORATION EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023 (IN THOUSANDS OF JORDANIAN DINARS)

		Social	Social Security		Accumulated	
		Security	Corporation		surplus of	
		Corporation	current account –	Fair	revenues	
		current	unemployment	value	over	
	Notes	account	fund	reserve	expenses	Total
For the year ended 31 December 2023						
Balance as at 1 January		7,026,832	84,910	720,823	5,949,500	13,782,065
Total comprehensive income for the year		-	-	(147,838)	797,113	649,275
Realized losses from sale of financial assets at fair value through other comprehensive income		-	-	14,399	(14,399)	-
Transferred during the year, net		382,507	3,836	-	-	386,343
Unemployment Fund's share of the Investment Fund's returns	18	-	4,827	-	(4,827)	-
Balance as at 31 December		7,409,339	93,573	587,384	6,727,387	14,817,683
For the year ended 31 December 2022						
Balance as at 1 January		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)	=
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		7,026,832	84,910	720,823	5,949,500	13,782,065

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

	Notes	2023	2022
Operating activities			
Surplus of revenues over expenses for the year before income tax		798,024	684,973
Adjustments-			
Depreciation	15	271	265
Losses (gains) from revaluation of financial assets at fair value through			
profit or loss	20	4,046	(10,532)
Realized gains on sale of financial assets at fair value through profit or loss	20	(136)	(11)
Provision for expected credit losses		2,846	19,043
Recovered from provision for expected credit losses		(1,744)	(7,503)
Gain on investment property valuation at fair value	21	(12,646)	(40,940)
Contingent liabilities provision		1,034	355
Working capital changes:			
Deposits at banks and financial institutions with maturity of			
more than 3 months		(577,078)	616,944
Financial assets at fair value through profit or loss		421	141
Other assets		(42,227)	(18,369)
Due from related parties		1,326	1,063
Other liabilities		(1,799)	382
Income tax paid	26	(934)	(516)
Net cash flows from operating activities		171,404	1,245,295
Investing activities			
Loans and granted debts		(97,017)	(46,781)
Financial assets at fair value through other comprehensive income		283	(3,504)
Financial assets at amortized cost		(865,299)	(788,110)
Investments in subsidiaries		(2,132)	(1,075)
Investment properties	12	(11,892)	(13,200)
Purchases of property and equipment	15	(222)	(73)
Investments in hotels		-	13
Investments in joint operations		(902)	-
Net cash flows used in investing activities		(977,181)	(852,730)
Financing activities			
Net of amounts transferred from the Social Security Corporation		382,507	374,083
Social Security Corporation Current account - Unemployment Fund		3,836	(36,200)
Net cash flows from financing activities		386,343	337,883
Net (decrease) increase in cash and cash equivalents		(419,434)	730,448
Cash and cash equivalents at 1 January		1,070,842	340,394
Cash and cash equivalents at 31 December	24	651,408	1,070,842
•			

(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 of commencing the Fund's activities 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's registered address is Abdul Rahman Arshidat street, 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 2023 were approved by the Board of Investment on its meeting held on 30 April 2024.

(2-1) Basis of Preparation of Financial Statements

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 2023 in accordance with International Financial Reporting Standard.

The separate 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 separate financial statements.

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

IFRS 17 Insurance Contracts

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

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

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

This standard is not applicable to the 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 from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments had no impact on the Fund's separate financial statements.

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

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

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

The amendments had no impact on the Fund's separate financial statements.

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

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

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

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

The amendments had no impact on the Fund's separate financial statements.

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

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

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

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

The amendments had no impact on the Fund's separate financial statements.

(2-3) MATERIAL ACCOUNTING POLICIES

The material 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 building 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 a 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.

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 separate 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.

For assets and liabilities that are recognized in the separate financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value.

Current versus non-current classification

The Fund presents assets and liabilities in the separate statement of financial position based on current and non-current classification.

An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; and
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Impairment of financial assets

The Fund recognizes an allowance for ECLs for all debt instruments not held at fair value through comprehensive income. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms (if present).

The Fund has established a provision calculation that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment.

In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment of non-financial assets

The Fund assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Fund estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated Future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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 nonperforming 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).

Repurchase and resale agreements

Assets sold with a corresponding commitment to repurchase them at a future date continue to be recognized in the separate 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 separate 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.

The preparation of the separate 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'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.

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.

(4) BALANCES AT BANKS

This item consists of the following:

5	2023	2022
Current and on demand accounts *	333	950

- * This item includes the amount of JD 2 thousand as current accounts related to the Unemployment Fund as at 31 December 2023 (31 December 2022: JD 144 thousand).
- As at 31 December 2023 and 2022, current accounts did not include any balances with foreign banks and financial institutions.
- There were no restricted balances as at 31 December 2023 and 2022.

(5) DEPOSITS AT BANKS AND FINANCIAL INSTITUTIONS

	2023	2022
Deposits maturing within 3 months or less	651,075	1,069,892
Deposits maturing within 3 to 6 months	416,869	239,700
Deposits maturing within 6 to 12 months	691,309	371,400
Deposits of Repurchase agreements*	80,000	
	1,839,253	1,680,992
Less: provision for expected credit losses**	(13,546)	(11,194)
	1,825,707	1,669,798

- Interest rates on deposits in Jordanian Dinar range between 3.72% to 7% for the year ended 31 December 2023 and between 2.75% to 6.40% for the year ended 31 December 2022.
- There are no balances with foreign banks and financial institutions and there are no restricted balances as at 31 December 2023 and 2022.
- Deposits include an amount of JD 166,9 Million which represent 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) (2022: JD 173 Million).
- * This item represents deposits related to repurchase agreements of Jordanian treasury bills with Jordan Kuwait Bank, with an amount of JD 40 million that matured on 18 January 2024, and an amount of JD 40 million that matured on 8 February 2024.

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

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

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

This item consists of the following:

•	2023	2022
Quoted shares:	120 207	122.072
Local	130,387	133,073
Foreign	11,408	13,053
	141,795	146,126

(7) LOANS AND GRANTED DEBTS

2023	2022
525,111	424,445
25,803	32,287
18,937	16,102
569,851	472,834
(24,260)	(24,976)
545,591	447,858
	525,111 25,803 18,937 569,851 (24,260)

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

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January (Recovered from) provision during the year	22,200	-	2,776	24,976	13,911
(Direct loans)	(234)	-	120	(114)	11,488
Recovered from provision during the year					
(Syndicated loans)	(602)			(602)	(423)
Balance as at 31 December	21,364	-	2,896	24,260	24,976

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 Syndicated loans Housing loans	525,111 25,803 18,937 569,851	1 – 8.916 9.41-11.06 4.75	1 January 2040 17 February 2034 31 March 2059	Governmental, real estates, legal Governmental, real estates, legal Real estates

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

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

This item consists of the following:

	2023	2022
Quoted shares in local financial markets*	1,486,559	1,636,824
Non-quoted shares in local financial markets	42,475	46,645
Other financial assets:		
Investments in mutual funds (in USD)	153	812
	1,529,187	1,684,281

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

	Percentage	2023	Percentage	2022
	%		%	
			40 =	242.254
Banking sector	53	787,802	49.7	813,351
Manufacturing sector	44.7	664,505	48.7	797,799
Services sector	2.2	32,364	1.5	24,318
Insurance sector	0.1	1,888	0.1	1,356
		1,486,559	_	1,636,824

(9) INVESTMENTS IN SUBSIDIARIES

Ç		Number of		_	Value of inv	estment
	Capital's	shares				
	number of	owned by	Ownership			
Company name	shares	the Fund	percentage	Nature of Business	2023	2022
			%			
Listed in Amman Stock Exchange*						
Jordanian Duty-Free Shops	22,500,000	12,711,006	56.5	Duty free shops	104,993	111,094
Al Daman for Investment Company	10,000,000	6,140,000	61.4	Investment	5,833	5,833
Jordan Press Foundation (Al-Rai)	10,000,000	5,492,000	54.9	Press and publishing	439	604
					111,265	117,531
Non-listed *						
Kingdom Electricity Company	50,000	35,000	70	Energy Investment	87,601	100,476
Al Daman for Development Zones	40,000,000	40,000,000	100	Investment	46,914	45,988
National Company for Touristic Development	2,050,000	2,050,000	100	Tourism services	28,876	26,541
United Traveling Center**	1,500,000	1,500,000	100	Rental services	861	1,293
Rama for Investment and Saving	560,000	560,000	100	Investment	2,901	3,179
Al Daman for Finance Leasing	500,000	500,000	100	Finance leasing	541	523
Al Daman for Investment and Agriculture	6,200,000	6,200,000	100	Agricultural Investment	7,624	5,305
Al Daman for Hotel Transport Services	100,000	100,000	100	Tourism services	166	131
Jordan Daman Company for International Business***	300,000	300,000	100	Investment	265	262
					175,749	183,698
					287,014	301,229

^{*} 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 12 April 2023 to reduce its capital by JD 226 thousand, reducing the authorized and paid capital to JD 1,500 thousand, and restoring the full amount to the investment 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 JD 200 thousand to become JD 300 thousand instead of JD 100 thousand.

(10) INVESTMENTS IN ASSOCIATES

The same continues of the same same same grants		Number of		_	Value of inv	vestment
Company Name	Capital's number of shares	shares owned by the Fund	Ownership percentage	Nature of Business	2023	2022
			%			
Listed in Amman Stock Exchange*:						
Jordan Telecommunication Company	187,500,000	54,150,000	28.9	Telecommunication	137,541	127,253
Jordan Petroleum Refinery Company	100,000,000	20,140,624	20.1	Petrochemical Banking and	94,661	107,752
Jordan Kuwait Bank	150,000,000	31,562,466	21	Financial services	81,116	52,078
Jordan Electricity Company	91,761,444	19,696,251	22.3	Energy	37,817	41,665
Jordan Worsted Mills Factories	15,000,000	3,000,000	20	Textiles	6,480	6,420
Jordan Cement Factories	60,444,460	13,197,226	21.8	Construction	8,841	7,786
					366,456	342,954
Non-listed*:						
National Company for Infrastructure Investment	80,000	39,000	48.8	Investment	27	29
South Dead Sea Development Co.	17,000,000	5,100,000	30	Investment	5,100	5,280
					5,127	5,309
					371,583	348,263

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

(11) FINANCIAL ASSETS AT AMORTIZED COST

This item consists of the following:

Average interest rates	2023	2022
%	_	
6.3	199,498	144,244
3.487 - 7.999	8,356,599	7,584,872
6.411 - 6.989	21,645	21,640
	8,577,742	7,750,756
	_	
4.00 - 7.00	163,880	125,567
	(5,636)	(6,632)
	158,244	118,935
	8,735,986	7,869,691
	% 6.3 3.487 - 7.999 6.411 - 6.989	% 6.3

Financial assets at amortized costs maturity dates range from one month to 24 years.

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

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

^{*} This item includes an amount of JD 90,426 thousand as at 31 December 2023 which represents bonds related to the Unemployment Fund (31 December 2022: JD 80,015 thousand).

(12) INVESTMENT PROPERTIES

This item consists of the following:

	2023	2022
Investment lands	801,228	770,094
Investment buildings	49,715	47,070
	850,943	817,164

The movement on investment property during the year was as follows:

Balance as at 1 January	817,164	748,155
Purchase of investment properties	11,892	13,200
Transferred from tourism portfolio (investment in hotels)**	9,241	-
Buildings built on leased lands*	-	14,869
Gains on valuation of investment properties at fair value (note 21)	12,646	40,940
Balance as at 31 December	850,943	817,164

2023

2022

- * The Fund concluded agreements with tenants of lands belonging to the Fund, provided that the tenants build 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.
- During 2023, the Fund converted the Amman Paradise Hotel (formerly Amman Cham Palace Hotel) from an investment in hotels to real estate investments, where the Fund signed an investment contract for the building with a local investor for a period of ten years, and the land and building were proven at fair value like the rest of the real estate investments (Note 14).

(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 2023 and 2022, the details of the operations were as follows:

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

^{*} This item represents the Funds share of the cost of the last piece of land remaining from the project.

(14) INVESTMENTS IN HOTELS

	2023	2022
Crown Plaza Resort - Dead sea	100,666	100,648
Intercontinental Resort – Aqaba	59,529	58,946
Holiday Inn Resort - Dead sea	48,287	48,091
Crown Plaza Hotel – Amman	39,918	39,669
Crown Plaza Resort - Petra	14,353	13,978
Amman Cham Palace Hotel – Amman*		9,760
	262,753	271,092

⁻ Investments in hotels are presented at cost, and the assets of these hotels are depreciated in their separate financial statements, they are also consolidated in the consolidated financial statements of the Fund,

^{*} During the year 2023, the Amman sham palace hotel was converted onto real estate investments (Note 12).

(15) PROPERTY AND EQUIPMENT

			Machinery, equipment			Computer	
	Land	Buildings	and furniture	Vehicles	Computers	Software	Total
2023 -							
Cost:							
Balance as at 1 January	3,012	3,197	220	185	367	582	7,563
Additions	-	4	99	-	26	93	222
Balance as at 31 December	3,012	3,201	319	185	393	675	7,785
Accumulated depreciation:							
Balance as at 1 January	-	1,053	146	123	289	499	2,110
Depreciation for the year (Note 23)	-	152	26	13	31	49	271
Balance as at 31 December	-	1,205	172	136	320	548	2,381
Net book value as at 31 December 2023	3,012	1,996	147	49	73	127	5,404

⁻ The balance of fully depreciated property and equipment amounted to JD 827 thousand as at 31 December 2023.

			Machinery, equipment			Computer	
	Land	Buildings	and furniture	Vehicles	Computers	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 (Note 23)	-	149	16	13	37	50	265
	-	-	(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 full depreciated property and equipment amounted to JD 718 thousand as at 31 December 2022.

(16) OTHER ASSETS

	2023	2022
Accrued interest*	192,933	154.742
Projects under construction**	52,214	47,210
Receivables and fines of lessees' receivables	8,481	6,753
Housing Fund deposits	2,233	2,354
Advance payments to Petra Hotel	1,649	3,157
Advance payments to Central Electricity Generation company	810	-
Advance payments to purchase lands	1	1
Others	57	1,935
	258,378	216,152
Less: provision for expected credit losses***	(5,426)	(4,965)
	252,952	211,187

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

- An amount of JD 32,176 which represents value of the touristic beach project land and what is on it. In 2022, National Company for Touristic Development has conducted an economic feasibility study to determine the mechanism of benefiting from this land or completing the project that was to be built on it. The Fund is expected to make a decision on the mechanism of benefiting from this land during 2024.
- An amount of JD 18,574 thousand which represents the development project of Crowne Plaza Petra Hotel. The expected cost of the project is JD 25,372 thousand and is expected to be completed during 2024.

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

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January (Reversed during the year)Transferred	-	262	4,703	4,965	4,126
from other receivables	-	(1)	-	(1)	444
Provision for the year	-	462	-	462	395
Balance as at 31 December	-	723	4,703	5,426	4,965

^{**} Projects under construction consists of the following:

(17) OTHER LIABILITIES

This item consists of the following:

	2023	2022	
Deferred revenues	15,718	15,840	
Accounts payable	308	1,906	
Other liabilities provision (note 32)	2,058	1,024	
Others	1,802	1,881	
	19,886	20,651	

(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:

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

(19) INTEREST INCOME

	2023	2022
Interest of bonds and treasury bills*	505,775	437,978
Interest of bolids and treasury bills Interest of balances and deposits at banks and financial institutions*	99,396	70,540
Interest of loans and granted debts	29,535	22,728
Interest of repurchase agreements of associates	3,487	
	638,193	531,246

^{*} These items include an amount of JD 4,799 thousand as of 31 December 2023 which represents interest income for the benefit of the Unemployed Fund (2022: JD 6,251 thousand).

<u>(20)</u>	LOSS (GAIN) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS, NET
Thio it	om consists of the following:

This item consists of the following:		
G	2023	2022
Realized gains	136	11
Unrealized revaluations (loss) gains	(4,046)	10,532
Commissions of purchases and sales	(2)	(1)
	(3,912)	10,542
(21) GAINS ON INVESTMENT PROPERTIES, NET		
This item consists of the following:		
The term condicte of the following.	2023	2022
Revenues:		
Revenues from leased properties	6,162	5,429
Compensations received	- 0,102	64
Componication received		0.1
Expenses:		
Management fees, valuation and other expenses	(548)	(464)
Change in fair value:		
Gains on valuation of investment properties at fair value (note 12)	12,646	40,940
	18,260	45,969
		_
(22) DIVIDENDS DISTRIBUTION		
This item consists of the following:		
This item consists of the following:	2023	2022
	2020	2022
Dividends from financial assets through other comprehensive income	105,607	75,472
Dividends from associates	26,281	18,174
Dividends from financial assets through profit or loss	7,988	7,875
Dividends from subsidiaries	11,561	9,792
	151,437	111,313

(23) ADMINISTRATIVE EXPENSES

This item consists of the following:

January Company	2023	2022
Salaries and wages	1,870	1,905
Legal expenses	1,034	60
Incentives and rewards	538	496
Contribution to Social Security	289	274
Depreciation (note 15)	271	265
Insurance	179	164
Professional fees and legal and technical consultancy	159	147
Maintenance and support of software	127	95
Investment's Board members' remuneration	87	85
Transportation	59	59
Subscriptions	49	44
Cleaning	43	45
Remuneration of Investment Board committee	32	31
Stationery	32	27
Advertising and public relations	21	15
Telephone, mail and internet	21	20
Contribution to Saving Fund	17	17
Electricity, water and heating	16	16
Training and courses	16	17
General maintenance	12	15
Bank charges	5	4
Daily wages and travel expenses	1	5
Others	163	153
	5,041	3,959

(24) CASH AND CASH EQUIVALENTS

	2023	2022
Current and on demand accounts (note 4)	333	950
Deposits maturing within three months or less (note 5)	651,075	1,069,892
	651,408	1,070,842

(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			
	Parent				
Statements of separate financial position items	Corporation	Subsidiaries	Associates	Total	Total
Assets and liabilities:					
Bank balances and deposits-					
Jordan Kuwait Bank (current account)	-	-	6	6	186
Jordan Kuwait Bank (deposits)	-	-	89,585	89,585	63,000
Jordan Kuwait Bank (repurchase agreement					
insurance)	-	-	80,000	80,000	-
A- Due from related parties-					
National for Tourism Development Company*	-	10,359	-	10,359	9,872
Jordanian Daman Company for International Business	-	27,162		27,162	28,975
	-	37,521	-	37,521	38,847
Less: provision for expected credit losses**	-	(8,703)		(8,703)	(8,703)
	-	28,818		28,818	30,144
B- Loans -					
Social Security Corporation	120,000	-	-	120,000	120,000
Al-Daman for International Investments	-	51,060	-	51,060	51,060
Kingdom Electricity Company	-	15,628	-	15,628	19,536
Daman for Finance Leasing Company	-	171,524	-	171,524	147,522

			2023			2022
Items of the separate statements of	Parent					
revenues and expenses	Corporation	Subsidiaries	Associates	Other	Total	Total
C- Interest-						
Deposits with Jordan Kuwait Bank	-	-	3,673	-	3,673	2,294
The benefits of Jordanian-Kuwait resale						
agreement	-	-	4,487	-	4,487	-
Kingdom Electricity Company Ioan	-	1,584	-	-	1,584	1,411
Al-Daman for Finance Leasing loan	-	11,664	-	-	11,664	11,045
Al-Daman for International Investments	-	518	-	-	518	518
loan						
Social Security Corporation loan	5,161	-	-	-	5,161	4,027
D- Dividends Income (Note 22)-						
Jordanian Duty-Free shops	-	7,627	-	-	7,627	2,542
The Kingdom's Electricity Company	-	3,850	-	-	3,850	5,250
Rama Investment and Savings Company	-	84	-	-	84	-
Al-Daman Company for the Development of						
Developmental Areas	-	-	-	-	-	2,000
The Jordanian Electricity Company	-	-	1,894	-	1,894	1,705
Jordan Petroleum Refinery Company	-	-	10,070	-	10,070	6,042
Jordan Worsted Milles Company	-	-	420	-	420	420
Jordan Telecommunication Company	-	-	11,372	-	11,372	7,798
Jordan Kuwait Bank	-	-	2,525	-	2,525	2,209
		11,561	26,281		37,842	27,966
E- Rental income-						
National Tourism and Development						
Company	-	-	-	30	30	30
F- Other line items-						
Management fees and salaries	-	-	-	766	766	708
Investment Board's Bonus	-	-	-	87	87	115

^{*} 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:

	2023				2022
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	8,703	-	-	8,703	3,263
Provision for the year	<u> </u>				5,440
Balance as at 31 December	8,703	-	-	8,703	8,703

(26) INCOME TAX

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

	2023	2022
Balance as at 1 January	535	272
Income tax expense for the year	911	779
Income tax paid	(934)	(516)
Balance as at 31 December	512	535

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

The Fund submitted its tax returns for the years 2020 to 2022 within the legal period. The Income and Sales Tax Department did not review the Fund's records until the date of preparing these separate financial statements. there exists a balance amounting to JD 845 thousand due to the corporation, of which JD 523 thousand are a result of semiannual payments of 2023.

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

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

The provision for the income tax is calculated as follows:

	2023	2022
Gross lease income	5,217	4,451
Less:		
Direct expenses related to property investment	(548)	(462)
Property investment depreciation	(348)	(337)
Salaries of the property investment department employees	(207)	(226)
Leases portion of shared expenses	(51)	(32)
Leases net income	4,063	3,394
Accrued income tax on rent fees (20%)	804	679
Accrued income tax on dividends from foreign investments (10%)	60	60
National contribution (1%)	47	40
Income tax expense	911	779

(27) FAIR VALUE RESERVE

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

	2023	2022
Balance as at 1 January	720,823	295,626
Changes in fair value of financial assets through other comprehensive income	(156,456)	325,881
Changes in fair value of investments in subsidiaries	(14,700)	18,904
Changes in fair value of investments in associates	23,318	79,317
Realized loss from sale of financial assets through other comprehensive income	14,399	1,095
Balance as at 31 December	587,384	720,823

(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.

2023 -	Level (1)	Level (2)	Level (3)	Total
Financial Assets:				
Financial assets through profit or loss	141,795	-	-	141,795
Financial assets though other comprehensive income	1,486,559	-	42,628	1,529,187
Investments in subsidiaries	111,265	-	175,749	287,014
Investments in associates	366,456		5,127	371,583
	2,106,075		223,504	2,329,579

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

(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
2023-	%	
JD	1	106,339
USD	1	4,737
2022-		
JD	1	95,736
USD	1	3,655

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:

				More than			Non-	
	Up to one	One to three	Three to six	six months up to a	More than one year up to three	More than three	interest	
<u> 2023 - </u>	month	months	months	year	years	years	bearing	Total
<u>Assets</u>								
Balances at banks	333	-	-	-	-	-	-	333
Deposits at banks and financial institutions	192,545	462,740	419,159	751,263	-	-	-	1,825,707
Financial assets at fair value through profit or loss	-	-	-	-	-	-	141,795	141,795
Loans and granted debts	3,277	11,236	22,802	15,272	164,884	328,120	-	545,591
Financial assets at fair value through other								
comprehensive income	-	-	-	-	-	-	1,529,187	1,529,187
Investments in subsidiaries	-	-	-	-	-	-	287,014	287,014
Investments in associates	-	-	-	-	-	-	371,583	371,583
Financial assets at amortized cost	307,354	183,998	166,052	299,766	2,417,279	5,361,537	-	8,735,986
Due from related parties	-	-	-	-	-	-	28,818	28,818
Investments properties	-	-	-	-	-	-	850,943	850,943
Investments in joint operations	-	-	-	-	-	-	15	15
Investment in hotels	-	-	-	-	-	-	262,753	262,753
Property and equipment	-	-	-	-	-	-	5,404	5,404
Other assets						-	252,952	252,952
Total Assets	503,509	657,974	608,013	1,066,301	2,582,163	5,689,657	3,730,464	14,838,081
Social Security Corporation Equity and <u>Liabilities</u>								
Social Security Corporation Equity -								
Social Security Corporation current account	-	-	-	-	-	-	7,409,339	7,409,339
Social Security Corporation current account -								
Unemployment Fund	-	-	-	-	-	-	93,573	93,573
Fair value reserve	-	-	-	-	-	-	587,384	587,384
Accumulated surplus of revenues over expenses	-	-	-	-	-	-	6,727,387	6,727,387
Total Social Security Corporation Equity	-	-	-	-	-	-	14,817,683	14,817,683
Liabilities -								
Other liabilities	-	-	-	-	-		19,886	19,886
Income tax provision	-	-	-	-	<u> </u>		512	512
Total liabilities					<u> </u>	-	20,398	20,398
Total Social Security Corporation Equity and								
Liabilities	-	-	-	-	-	-	14,838,081	14,838,081
Sensitivity variance	503,509	657,974	608,013	1,066,301	2,582,163	5,689,657	(11,107,617)	
Accumulated sensitivity variance	503,509	1,161,483	1,769,496	2,835,797	5,417,960	11,107,617		

The sensitivity of interest rates is as follows:

<u> 2022 - </u>	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
<u>Assets</u>								
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 Assets	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 Social Security Corporation current account - Unemployment	-	-	-		-		7,026,832	7,026,832
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
		_	-	-	-	-	535	535
Income tax provision								
Income tax provision Total liabilities							21.186	21,186
Total liabilities			-		-		21,186	21,186
Total liabilities Total Social Security Corporation Equity and Liabilities	- 691 803	- 562 513	- 442 718	- 499 659	- 1 396 747	- 6 394 857	13,803,251	13,803,251
Total liabilities	- 691,803	562,513	442,718	499,659	1,396,747	- 6,394,857 9,988,297		

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:

2023-	Change in indicator	Effect on surplus of revenues over expenses for the year	Effect on items of other comprehensive income	Effect on Social Security Corporation equity
Indicator				
Amman stock exchange	5	6,519	98,214	104,733
Palestine stock exchange	5	570		570
		7,089	98,214	105,303
2022-				
Indicator				
Amman stock exchange	5	6,654	104,865	111,519
Palestine stock exchange	5	653	-	653
		7,307	104,865	112,172

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 Dinar, and the 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 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, 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:

<u> 2023 - </u>	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
<u>Assets</u>								
Bank balances	333	-	-	-	-	-	-	333
Deposits at banks and financial institutions	192,545	462,740	419,159	751,263	-	-	-	1,825,707
Financial assets at fair value through profit or loss	-	-	-	-			141,795	141,795
Loans and granted debts	3,277	11,236	22,802	15,272	164,884	328,120	-	545,591
Financial assets at fair value through other								
comprehensive income	-	-	-	-	-	-	1,529,187	1,529,187
Investments in subsidiaries	-	-	-	-	-	-	287,014	287,014
Investments in associates	-	-	-	-	-	-	371,583	371,583
Financial assets at amortized cost	307,354	183,998	166,052	299,766	2,417,279	5,361,537	-	8,735,986
Due from related parties	-	-	-	-	-	-	28,818	28,818
Investments properties	-	-	-	-	-	-	850,943	850,943
Investments in joint operations	-	-	-	-	-	-	15	15
Investments in hotels	-	-	-	-	-	-	262,753	262,753
Property and equipment	-	-	-	-	-	-	5,404	5,404
Other assets	-	-	-	-	-	-	252,952	252,952
Total Assets	503,509	657,974	608,013	1,066,301	2,582,163	5,689,657	3,730,464	14,838,081
Social Security Corporation equity and								
<u>Liabilities</u>								
Social Security Corporation Equity -								
Social Security Corporation current account	-	-	-	-	-	-	7,409,339	7,409,339
Social Security Corporation current account –								
Unemployment Fund	-	-	-	-	-	-	93,573	93,573
Fair value reserve	-	-	-	-	-	-	587,384	587,384
Accumulated surplus of revenues over expenses	-	-	-	-	-	-	6,727,387	6,727,387
Total Social Security Corporation Equity			-				14,817,683	14,817,683
	·							
Liabilities -								
Other liabilities	-	-	-	-	-	19,886	-	19,886
Income tax provision	-	-	512	-	-	-	-	512
Total liabilities			512			19,886		20,398
Total Social Security Corporation Equity and Liabilities			512			19,886	14,817,683	14,838,081

<u> 2022 - </u>	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
<u>Assets</u>								
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 Assets	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	-	-	20,651		21,186
Total Social Security Corporation Equity								
and Liabilities			535			20,651	13,782,065	13,803,251

(30) SEGMENT INFORMATION

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

	2023		202	22
	Assets	Assets Liabilities		Liabilities
Business segments			·	
Financial investments	12,778,266	-	11,817,754	-
Investments in associates	371,583	-	348,263	-
Investment properties	850,943	-	817,164	-
Investment in hotels	262,753	-	271,092	-
Investment in subsidiaries	287,014	-	301,229	-
Others	287,522	20,398	247,749	21,186
	14,838,081	20,398	13,803,251	21,186

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:

	2023		2022		
	Assets	Liabilities	Assets	Liabilities	
Geographical region					
Inside the Kingdom	14,826,673	20,398	13,790,198	21,186	
Arab countries (note 6)	11,408		13,053		
	14,838,081	20,398	13,803,251	21,186	

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

	202	3	2022		
	Revenues Expenses		Revenues	Expenses	
Business segments					
Financial investments	746,774	-	613,595	-	
Investments in associates	26,281	-	18,174	-	
Investments in subsidiaries	11,561	-	9,792	-	
Investment properties	18,260	-	45,969	-	
Others	189	5,041	1,402	3,959	
	803,065	5,041	688,932	3,959	

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

	Inside Jordan		Outside .	Jordan	Total		
	2023	2022	2023	2022	2023	2022	
Total revenues	802,933	695,988	1,045	3,082	803,978	699,070	
Capital expenses	222	73	-	-	222	73	
Depreciation expenses	271	265	-	-	271	265	

(31) CONTINGENT LIABILITIES

There's no Contingent liabilities and commitments of the Fund as at 31 December 2023 and 2022.

(32) Lawsuits

As at 31 December 2023, the Fund was defendant in a number of lawsuits which amounted to JD 924 thousand (31 December 2022: JD 789 thousand). The opinion of the Fund and the legal counselor that the recorded provision of JD 2,058 thousand (note 17) is sufficient for any future commitments against these lawsuits.

(33) Standards Issued but not Yet Effective

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

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

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

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

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

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

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

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

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The 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 Fund's separate financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

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

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

(34) Comparative figures

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

Consolidated Financial Statements 2023



SOCIAL SECURITY CORPORATION -

SOCIAL SECURITY INVESTMENT FUND

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023



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INDEPENDENT AUDITOR'S REPORT
TO THE CHAIRMAN AND THE MEMBERS OF INVESTMENT BOARD
SOCIAL SECURITY CORPORATION - SOCIAL SECURITY INVESTMENT FUND
Amman- Jordan

Report on the audit of the consolidated financial statements

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

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



Amman – Jordan 22 July 2024

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

A	Notes	2023	2022
Assets Cash and bank balances	2	22 622	24.006
Deposits at banks and financial institutions	3 4	22,623 1,921,614	31,906 1,758,150
Financial assets at fair value through profit and loss	5	1,921,014	146,126
Loans and granted debts, net	6	499,240	397,735
Financial asset at fair value through other comprehensive income	7	1,601,068	1,743,436
Investments in associates	8	542,084	518,134
Financial assets at amortized cost	9	8,735,986	7,869,691
Subscribers' contributions and rural fils assets	10	205,888	202,041
Projects under constructions	11	122,222	120,836
Inventories	12	33,255	36,349
Property and equipment, net	13	408,664	376,659
Investment properties	14	898,449	862,192
Investments in joint operations	15	15	15
Due from a related parties	37/A	181	251
Intangible assets, net	16	65,356	69,629
Other assets	17		442,286
	17	419,129	
Total assets		15,617,569	14,575,436
Liabilities and Equity			
Liabilities-			
Subscribers' contributions and rural fils liabilities	10	205,888	202,041
Electricity service subscribers' deposits	18	90,838	85,456
Advance payments from electricity subscribers	19	24,751	22,550
Due to National Electric Power Company	20	143,949	227,537
Bank loans	21	64,327	70,629
Income tax provision	44	5,914	10,034
End of service indemnity provision	22	24,078	22,333
Due to banks	23	89,324	40,355
Due to related parties	37/B	537	55
Other liabilities	24	205,026	202,187
Total liabilities		854,632	883,177
Equity-			
Social Security Corporation Equity-			
Social security corporation current account		7,349,136	6,972,968
Social security corporation current account – unemployment fund	27	93,573	84,910
Property and equipment revaluation reserve	25	31,812	31,812
Fair value reserve, net	26	453,487	577,896
Cash flow hedges reserve		3,860	4,469
Surplus of revenues over accumulated expenses		6,779,205	5,966,777
Net Social Security Corporation Equity		14,711,073	13,638,832
Non-controlling interest		51,864	53,427
Net Equity		14,762,937	13,692,259
Total liabilities and equity		15,617,569	14,575,436
• •		<u> </u>	

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2023

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

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2023

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

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Social Security Corporation current account	Social Security Corporation current account Unemployment Fund	Property and equipment revaluation reserve	Fair value reserve, net	Cash flow hedges reserve	Surplus of revenues over accumulated expenses	Net Social Security Corporation equity	Non- controlling interest	Net equity
2023-									
Balance as at 1 January 2023	6,972,968	84,910	31,812	577,896	4,469	5,966,777	13,638,832	53,427	13,692,259
Surplus of revenues over expenses for the		=			-				
year	=		-	-		831,654	831,654	9,472	841,126
Change in fair value of financial assets through									
other comprehensive income	=	-	-	(138,808)	-	-	(138,808)	5	(138,803)
Group's share of cash flow hedges reserve									
(note 8)	-	-	-	-	(609)	-	(609)	(261)	(870)
Loss on sale of financial assets through other									
comprehensive income	-	-	-	14,399	-	(14,399)	-	-	-
Cash transferred during the year, net	376,168	3,836	-	-	-	=	380,004	=	380,004
Unemployment Funds' share of the investment		4.007				(4.007)			
Funds' returns	-	4,827	-	-	-	(4,827)	-	- (40.770)	- (40.770)
Dividends from non-controlling interest								(10,779)	(10,779)
Balance as at 31 December 2023	7,349,136	93,573	31,812	453,487	3,860	6,779,205	14,711,073	51,864	14,762,937
2022-)				
Balance as at 1 January 2022	6,542,251	183,464	31,812	280,782	(3,764)	5,241,263	12,275,808	43,951	12,319,759
Surplus of revenues over expenses for the						723,776	723,776	12,749	736,525
year	-	-	-	-	-				
Reclassification of the Social Security									
Corporation current account and	E0 E04	(60 F6F)				9,044			
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	-	-	-	290,019	-	-	290,019	49	290,000
(note 8)	_	_	_	_	8,233	_	8,233	3,528	11,761
Realized gain on sale of financial assets					0,200		0,200	0,020	11,701
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	3,.00	(33,230)					,000		,000
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
	-, -, -, -,	,		- ,	.,	-,,	-,,	,	-,,

SOCIAL SECURITY CORPORATION – SOCIAL SECURITY INVESTMENT FUND CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Notes</u>	2023	2022
Operating activities			
Surplus of revenues over expenses for the year before income tax		848,485	747,758
Adjustments -			
Depreciation of property and equipment	13	32,134	30,189
Amortization of intangible assets	16	4,316	3,725
End of service indemnity provision	34	3,987	4,173
Group's share of associates' net operating results	8	(51,785)	(45,648)
Loss (gains) of revaluation of financial assets at fair value through profit or loss	31	4,046	(10,532)
Realized gains on sale of financial assets at fair value through profit or loss	31	(136)	(11)
Provision for slow-moving inventory	12	633 4,796	856 23,784
Provision for expected credit losses Recovered from provision for expected credit losses		(1,582)	(6,620)
Gains on investment property valuation at fair value	32	(22,425)	(36,309)
Finance costs	02	7,845	6,848
Provision for contingent liabilities	24	1,092	473
Working capital changes-			
Deposits at banks and financial institutions with maturity of more than three			
months		(568,956)	612,091
Financial assets at fair value through profit or loss		421	141
Inventories		2,461	(11,482)
Other assets		21,238	103,263
Due from related parties		70	(251)
Electricity service subscribers' deposits		5,382	6,297
Advance payments from electricity subscribers Due to National Electric Power Company		2,201 (83,588)	3,610 (103,700)
Due to related parties		(65,566)	(103,700)
Other liabilities		2,958	43,402
Payments of end of service indemnity	22	(3,496)	(1,600)
Income tax paid	44	(12,004)	(7,359)
Net cash flows from operating activities		198,575	1,363,153
Investing activities			
Financial assets at fair value through other comprehensive income		632	(7,350)
Financial assets at ran value through other comprehensive income		(865,299)	(788,110)
Investments in associates	8	3,318	5,240
Dividends received from associates	8	26,580	18,174
Investment properties	14	(11,892)	(13,200)
Property and equipment and projects under constructions, net		(66,211)	(40,070)
Loans and granted debts		(100,919)	(50,839)
Intangible assets	16	(43)	(17,724)
Net cash flows used in investing activities		(1,013,834)	(893,879)
Financing activities			
Net amounts transferred from Social Security Corporation		380,004	334,996
Bank loans		(6,302)	21,218
Dividend distribution to non-controlling interest		(10,779)	(6,850)
Finance costs paid		(7,845)	(6,848)
Paid from contingent liabilities provision	24	(1,211)	(467)
Net cash flows from financing activities		353,867	342,049
Net (decrease) increase in cash and cash equivalents		(461,392)	811,323
Cash and cash equivalents at 1 January		1,088,589	277,266
Cash and cash equivalents at 31 December	36	627,197	1,088,589

(1) GENERAL

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

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

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

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

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

(2) ACCOUNTING POLICIES

(2-1) Basis Of Preparation of Consolidated Financial Statements

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

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

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

(2-2) BASIS OF CONSOLIDATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(IN THOUSANDS OF JORDANIAN DINARS)

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

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

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

(2-3) CHANGES IN ACCOUNTING POLICIES

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

IFRS 17 Insurance Contracts

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

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

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

This standard is not applicable to the Group's.

(In Thousands of Jordanian Dinars)

Definition of Accounting Estimates - Amendments to IAS 8

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

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

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

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

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

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

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

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

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

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

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

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

(In Thousands of Jordanian Dinars)

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

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

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

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

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

(2-4) SIGNIFICANT ACCOUNTING POLICIES

Financial assets at amortized cost

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

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

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

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

Financial assets at fair value through profit or loss

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

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

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

(In Thousands of Jordanian Dinars)

Financial assets at fair value through other comprehensive income

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

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

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

These financial assets are not subject to impairment testing.

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

Loans and granted debts

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

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

Fair value

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

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

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

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

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

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

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

(In Thousands of Jordanian Dinars)

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

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

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

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

Impairment of financial assets

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

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

Property and equipment

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

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

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

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

(IN THOUSANDS OF JORDANIAN DINARS)

Goodwill

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

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

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

Intangible assets

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

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

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

Investment properties

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

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

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

(In Thousands of Jordanian Dinars)

End of service indemnity provision

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

Trade payable and accruals

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

Loans

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

Accounts receivable

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

Leases

The Group as a lessee

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

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

Right-of-use assets

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

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

(In Thousands of Jordanian Dinars)

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 insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate in accordance with the terms of the contract, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

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

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

Short-term leases and leases of low-value assets

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

The Group as a lessor

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

Revenue and expense recognition

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

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

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

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

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

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

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

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

(In Thousands of Jordanian Dinars)

Revenue from the Sale of goods

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

Recognition of financial assets

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

Derivative financial instruments

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

Repurchase and resale agreements

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

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

Investments in associates

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

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

(In Thousands of Jordanian Dinars)

Inventory

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

Income tax

- Income tax expense represents accrued tax and deferred tax.
- Income tax expenses are accounted for on the basis of taxable income. Taxable income differs from income declared in the consolidated financial statements as the declared income includes non-taxable revenue or non deductible expenses in the current year, but deductible in subsequent years, accumulated losses acceptable by the tax authorities, and items not accepted for tax purposes or subject to tax.
- Taxes are calculated on the basis of tax rates prescribed according to the prevailing laws, regulations and instructions of the Hashemite kingdom of Jordan. Social Security Corporation revenues are exempted from income tax by law except for rental revenues, revenue of some hotels and foreign investments.
- Deferred taxes are taxes expected to be paid or recovered as a result of temporary differences in the value of assets or liabilities in the consolidated financial statements and the value upon which taxable income is calculated. Deferred taxes are calculated using the liability method on the consolidated financial statements and are calculated based on the tax rates expected to be implemented upon the settlement of a tax commitment or upon the realization of deferred tax asset.
- Deferred tax assets and liabilities are reviewed as of the date of the consolidated financial statements and reduced in case it is expected that no benefit will arise therefrom, partially or totally.

Cash and cash equivalents

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

Subscribers' contributions assets and liabilities

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

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

Rural fils assets

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

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

(In Thousands of Jordanian Dinars)

Investments in joint operations

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

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

Offsetting

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

Foreign currency

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

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

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

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

(2-5) SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements and the application of the accounting policies requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

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

(In Thousands of Jordanian Dinars)

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).

(In Thousands of Jordanian Dinars)

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.

(3) CASH AND BANK BALANCES

This item consists of the following:

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

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

- Current accounts do not include balances with foreign banks and financial institution as at 31 December 2023 and 2022.
- There were no restricted balances as at 31 December 2023 and 2022.

(4) DEPOSITS AT BANKS AND FINANCIAL INSTITUTIONS

This item consists of the following:

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

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

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

- Deposits include an amount of JD 166,9 million which represents deposits against the mortgage of government bonds for the benefit of the Fund held at Capital Bank (The legal successor for Societe Generale Bank Jordan) (2022: JD 173 million).
- * This item represents deposits related to resale agreements of treasury bills with Jordan Kuwait Bank, with an amount of JD 40 million matured on 18 January 2024, and an amount of JD 40 million matured on 8 February 2024.
- ** The details of the movement on the provision for impairment of loans and debts granted are as follows:

			2	023	2022
Balance as at 1 January				11,194	9,934
Provision for the year				2,384	1,260
recovered from unemployment				(32)	-
Balance as at 31 December				13,546	11,194
		202	3		2022
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	11,194	-	-	11,194	9,934
Provision for the year	2,384	-	-	2,384	1,260
recovered from unemployment	(32)			(32)	
Balance as at 31 December	13,546		-	13,546	11,194

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

This item consists of the following:

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

(6) LOANS AND GRANTED DEBTS, NET

This item consists of the following:

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

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

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

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

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

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

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

This item consists of the following:

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

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

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

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

(In Thousands of Jordanian Dinars)

(8) INVESTMENTS IN ASSOCIATES

This item consists of the following:

												202	3	202	2
						Balance using									
	Number of	Number of			Last issued audited	equity method at		Share of cash		Share of	Share of	Balance using	Fair market	Balance using	Fair market
	capital	shares/	Ownership		financial	the beginning of	Loans	flow hedges	Dividends	companies'	fair value	equity method	value at year	equity method	value at year
	shares	ownership	percentage	Nature of business	statements	the year	repayments	reserve	received	results	reserve	at year end	end	at year end	end
Listed in Amman Stock Exchange			%												
Jordan Kuwait Bank Public Shareholding	150,000,000	31,562,466	21.04	Banking	31 December 2023	97,741	-	-	(2,525)	12,437	2,760	110,413	81,116	97,741	52,078
Jordan Petroleum Refinery Co. Public Shareholding	100,000,000	20,140,624	20.14	Petrochemical	31 December 2023	75,788	-	-	(10,200)	16,637	(133)	82,092	109,180	75,788	109,180
Jordan Cement Factories Public Shareholding	60,444,460	13,197,226	21.83	Construction	31 December 2023	-	-	-	-	340	2	342	8,841	-	7,792
Jordan Telecommunication Co. Public Shareholding	187,500,000	54,150,000	28.88	Telecommunication	31 December 2023	228,516	-	-	(11,372)	13,212	-	230,356	137,541	228,516	127,253
Jordan Worsted Mill Factories Public Shareholding	15,000,000	3,000,000	20	Textiles	31 December 2023	10,006	-	-	(421)	384	289	10,258	6,480	10,006	6,429
Al-Sharq Investment Projects Public Shareholding	16,000,000	4,164,153	26.03	Hotel services	31 December 2023	5,411	-	-	(167)	287	15	5,546	7,662	5,411	7,662
Jordan Electricity Company Public Shareholding	91,761,444	19,696,251	21.46	Energy	31 December 2023	45,770			(1,895)	3,699		47,574	37,817	45,770	40,676
						463,232			(26,580)	46,996	2,933	486,581	388,637	463,232	351,070
Not listed in Amman Stock Exchange															
South Dead Sea Development Private Shareholding	17,000,000	5,100,000	30	Investment	31 December 2023	5,574	-	-	-	3	-	5,577	5,100	5,574	5,280
Electrical Equipment Industries LLC	3,750,000	881,250	23.5	Manufacturing	31 December 2023	951	-	-	-	148	-	1,099	-	951	÷
Al Zanpaq Company Private Shareholding	167,000	50,100	30	Electricity generation	31 December 2023	1,817	(387)	(24)	-	154	-	1,560	-	1,817	-
Zahrat Al Salam Company Private Shareholding	167,000	50,100	30	Electricity generation	31 December 2023	1,408	(428)	(24)	-	157	-	1,113	-	1,408	-
Alward Aljoury Company Private Shareholding	167,000	50,100	30	Electricity generation	31 December 2023	1,510	(416)	(25)	-	163	-	1,232	-	1,510	-
Jordan Solar One Company Private Shareholding	100,000	30,000	30	Electricity generation	31 December 2023	1,810	(669)	(42)	-	166	-	1,265	-	1,810	-
Al-Zarqa Station for Electrical Power Generation															
Private Shareholding	50,000	20,000	40	Electricity generation	31 December 2023	41,800	(1,418)	(755)	-	4,000	-	43,627	-	41,800	-
National Company for Infrastructure Investment															
Private Shareholding	80,000	39,000	48,75	Investment	31 December 2023	32				(2)		30	27	32	29
						54,902	(3,318)	(870)		4,789		55,503	5,127	54,902	5,309
						518,134	(3,318)	(870)	(26,580)	51,785	2,933	542,084	393,764	518,134	356,379

(IN THOUSANDS OF JORDANIAN DINARS)

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

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

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

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

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

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

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

(IN THOUSANDS OF JORDANIAN DINARS)

(9) FINANCIAL ASSETS AT AMORTIZED COST

This item consists of the following:

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

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

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

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

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

(In Thousands of Jordanian Dinars)

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

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

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

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

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

(IN THOUSANDS OF JORDANIAN DINARS)

(11) PROJECTS IN PROGRESS

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

- * An amount of JD 32,173 thousand which represents value of the touristic beach project land and what is on it. In 2022, National Company for Touristic Development has conducted an economic feasibility study to determine the mechanism of benefiting from this land or completing the project that was to be built on it. The Fund is expected to make a decision on the mechanism of benefiting from this land during 2024.
- ** The Group updated the study of the estimated expected cost to complete the Mafraq Development Project by an engineering company on 5 February 2018. The total estimated cost to complete the project amounted to approximately JD 143 million, and the estimated cost per developed square meter reached JD 12,78 after distributing the estimated cost over the net land area of 11.3 thousand square kilometers. The construction and development are expected to be completed by 2030. Management believes that this estimate is reasonable and reflects the prices and infrastructure development costs up to the year 2023.
- *** This item represents the infrastructure projects for supplying electricity to the subsidiaries of Kingdom Electricity for Energy Investments Company, which are under implementation as of 31 December 2023. The estimated cost to complete the unexecuted portion of the projects under implementation amounts to JD 25,125 thousand as of 31 December 2023 (31 December 2022: JD 13,175 thousand).
- **** This item represents projects for developing markets at border crossings and the fountain project in Aqaba for the Jordanian Duty Free Shops Company. On 1 January 2023, the Group capitalized and began depreciating the Fountain Mall project located in the city of Aqaba, amounting to JD 14,722 thousand, transferring it from projects under implementation to property and equipment.
- ***** The amount of JD 18,574 thousand represents the Crowne Plaza Petra Hotel development project. The expected cost of the project is JD 25,372 thousand, and it is expected to be completed during 2024.
- ****** The Group contracted with a consulting firm to study market demand and conduct a market study after the government returned the lands to the company. The tender for preparing the new master plan for the Northern Development Company project was awarded to a specialized engineering office and was completed in 2019 and approved by the authority. The estimated cost of the infrastructure is approximately JD 68 million as of 31 December 2023, and it is expected to be completed in 2046, based on the study provided by the consulting firm.

(In Thousands of Jordanian Dinars)

(12) INVENTORIES

3		
	2023	2022
Electricity tools, material and spare parts	15,795	22,033
Finished goods	12,141	9,576
Raw materials	589	702
Food and beverage	257	283
Goods in transit	-	10
Supplies and operational tools	-	4
Others	9,780	9,064
	38,562	41,672
Less: provision for slow moving inventory*	(5,307)	(5,323)
	33,255	36,349

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

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

(In Thousands of Jordanian Dinars)

(13) PROPERTY AND EQUIPMENT

2023-			Meters, cables,	Furniture	Machinery				Electro-			
			and	and	and		Additions and		mechanical	Sanitary	0.1	
	Land	Buildings	pumps	fixtures	equipment	Vehicles	improvements	Computers	equipment	extensions	Others	Total
Cost:												
Balance as at 1 January	27,883	182,815	743	47,791	441,721	19,062	4,746	44,273	55,511	11,359	8,663	844,567
Additions	227	943	75	855	31,498	1,605	403	2,829	528	62	126	39,151
Disposal Transfers from projects in progress	-	(12)	-	(470) 388	(5,424)	(397)	(46)	(350)	(126)	(28)	(27)	(6,880)
Transfers from projects in progress Transfer to real estate investment (Note	(128)	14,238 (3,275)	-	(2,367)	14,142 (862)	_	-	2 (208)	(176)	(1,827)	(548)	28,770 (9,391)
14)	(120)	(3,273)	-	(2,307)	(802)	-	-	(200)	(170)	(1,027)	(346)	(9,391)
Transfer from advance payments for purchase property and equipment								27				27
	07.000	404.700	- 040	40.407	404.075	- 00.070					0.044	
Balance as at 31 December	27,982	194,709	818	46,197	481,075	20,270	5,103	46,573	55,737	9,566	8,214	896,244
Accumulated depreciation:												
Balance as at 1 January	-	68,944	71	40,096	241,943	16,349	4,012	31,811	46,145	11,344	7,193	467,908
Depreciation for the year	-	4,640	105	535	19,821	1,031	52	3,961	1,780	38	171	32,134
Disposal	-	(1)	-	(452)	(3,653)	(360)	(46)	(336)	(108)	(28)	(27)	(5,011)
Transfer to real estate investment (Note												
14)		(1,590)		(2,319)	(832)			(190)	(175)	(1,798)	(547)	(7,451)
Balance as at 31 December		71,993	176	37,860	257,279	17,020	4,018	35,246	47,642	9,556	6,790	487,580
Net book value as of 31 December 2023	27,982	122,716	642	8,337	223,796	3,250	1,085	11,327	8,095	10	1,424	408,664
2022-												
Cost:	00.440	404 404	505	47.005	440 500	40.404	4 000	40 70 4	55.040	44.550	0.044	040 400
Balance as at 1 January	28,143	181,464	505	47,835	418,590	18,194	4,092	43,794	55,643	11,559	8,344	818,163
Additions Disposal	8 (286)	338	238	578 (634)	17,103	1,168	686	767	(24.2)	(224)	426 (107)	21,424
Transfers from projects in progress	(200) 18	(2) 1,015	_	(634)	(3,809) 9,837	(329) 29	(32)	(288)	(213)	(231)	(107)	(5,931) 10,911
Balance as at 31 December			743			19,062	4,746	44,273	55,511	11 250		
Balance as at 31 December	27,883	182,815	743	47,791	441,721	19,002	4,740	44,273	55,511	11,359	8,663	844,567
Accumulated depreciation:												
Balance as at 1 January	-	64,485	2	40,187	226,073	15,378	4,027	28,214	44,523	11,544	7,138	441,571
Depreciation for the year	-	4,460	69	534	18,003	1,211	17	3,869	1,833	31	162	30,189
Disposal		(1)		(625)	(2,133)	(240)	(32)	(272)	(211)	(231)	(107)	(3,852)
Balance as at 31 December	-	68,944	71	40,096	241,943	16,349	4,012	31,811	46,145	11,344	7,193	467,908
Net book value as of 31 December 2022	27,883	113,871	672	7,695	199,778	2,713	734	12,462	9,366	15	1,470	376,659

(IN THOUSANDS OF JORDANIAN DINARS)

(14) INVESTMENT PROPERTIES

This item consists of the following

This item consists of the following:		
	2023	2022
Land held for investment	839,341	805,605
Buildings held for investment	58,899	56,369
Others	209	218
	898,449	862,192
	_	
Movements on investment properties during the year were as follows:		
	2023	2022
Balance as at 1 January	862,192	797,814
Purchase of investment properties	11,892	13,200
Transfers to properties and equipment, net (Note 13)	1,940	-
Buildings built on leased land*	-	14,869
Profits on valuation of investment properties at fair value (note 32)	22,425	36,309
Balance as at 31 December	898,449	862,192

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

(15) INVESTMENTS IN JOINT OPERATIONS

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

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

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

(In Thousands of Jordanian Dinars)

(16) INTANGIBLE ASSETS

2023-	Exclusive right*	Licenses**	Right of passing ***	Right to use and operate ****	Goodwill****	Computer software	Total
Cost:							
Balance as at 1 January	17,697	39,411	8,339	4,184	28,014	394	98,039
Additions	-	-	20	=	=	23	43
Balance as at 31 December	17,697	39,411	8,359	4,184	28,014	417	98,082
Accumulated amortization:							
Balance as at 1 January	1,180	19,711	4,687	2,704	-	128	28,410
Amortization for the year	1,770	1,970	376	114		86	4,316
Balance as at 31 December	2,950	21,681	5,063	2,818		214	32,726
Net book value as of 31 December	14,747	17,730	3,296	1,366	28,014	203	65,356
2022-	Exclusive right*	Licenses**	Right of passing ***	Right to use and operate ****	Goodwill*****	Computer software	Total
Cost:							
Balance as at 1 January	-	39,411	8,323	4,173	28,014	394	80,315
Additions	17,697	=	16	11	-	-	17,724
Balance as at 31 December	17,697	39,411	8,339	4,184	28,014	394	98,039
Accumulated amortization:							
Balance as at 1 January	-	17,741	4,308	2,584	-	52	24,685
Amortization for the year	1,180	1,970	379	120		76	3,725
Balance as at 31 December	1,180	19,711	4,687	2,704		128	28,410
Net book value as of 31 December	16,517	19,700	3,652	1,480	28,014	266	69,629

- * During the year 2021, the exclusive right agreement with the Hashemite Kingdom of Jordan, represented by the Ministry of Finance, to establish duty-free shops at land crossings and seaports, signed on 30 August 2011 until 30 August 2021, expired. During 2022, the Group obtained the renewal of the exclusive right for a period of 10 years starting from 1 May 2022, provided that the Group is committed to paying an amount of KD 25 million, which will be paid over the life of the agreement. Accordingly, the agreed amount of the exclusivity agreement has been deducted to the present value and recorded as an intangible asset, as it is amortized over the life of the agreement. The Group shall be obliged to pay to the Public Treasury each of the following amounts:
- A monthly service allowance of 13,5% and a monthly customs service allowance of 1,5% of its total monthly sales realized in duty free shops that are not subject to the same duties, taxes and customs applied in the customs territory as operational costs.
- An annual allowance of 20% of the company's annual net operating profit for duty free on an annual basis and starting from the fiscal year 2022 and including the full profits of 2022. The value of this allowance shall be paid within three months from the date of the end of the fiscal year.
- In addition, the Jordan Duty Free Company (a subsidiary) has been exempted from income tax from its duty free activities for a period of six years starting from the date of entry into force of the agreement, and 2022 is considered the first year of exemption.

(In Thousands of Jordanian Dinars)

- ** This item represents the fair value of electricity distribution licenses granted by the Energy and Minerals Regulatory Authority to subsidiaries as at the date of grant, as they are amortized over the 19-year life of the licenses.
- *** This item represents the amount of compensation paid by the Kingdom Electricity Company for Energy Investments and its subsidiaries to land owners for damages due to the passage of power lines over their property based on a court decision or a decrease in the market value of such property. Kingdom Electricity Company for Energy Investments and its subsidiaries have since the beginning of 2014 extinguished the right of way for the remaining life of the license.
- **** This item represents the amount of the amounts paid by Unified Launch Company for the construction and development of the infrastructure of the Unified Launch Complex as intangible assets in accordance with the requirements of the interpretation of financial reports No. (12) Service Concession Arrangements issued by the International Financial Reporting Interpretation Committee as the amounts paid represent a right (license) to use and operate a public facility for a period of 27 years.

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

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

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

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

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

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

(In Thousands of Jordanian Dinars)

(17) OTHER ASSETS

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

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

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

				2023	2022
Balance as at 1 January				59,416	38,009
Provision for the year				2,641	22,179
recovered from provision				(199)	-
Receivables written-off				<u></u>	(772)
Balance as at 31 December				61,858	59,416
		202	23		2022
	Stage 1	Stage 2	Stage 3	Total	Total
Balance as at 1 January	-	262	59,154	59,416	38,009
Provision for the year	-	-	2,641	2,641	22,179
Recovered from provision	-	-	(199)	(199)	-
Receivables written-off			-		(772)
Balance as at 31 December		262	61,596	61,858	59,416

(In Thousands of Jordanian Dinars)

(18) ELECTRICITY SERVICE SUBSCRIBERS' DEPOSITS

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

(19) ADVANCE PAYMENTS FROM ELECTRICITY SUBSCRIBERS

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

(20) DUE TO NATIONAL ELECTRIC POWER COMPANY

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

(21) BANK LOANS

31 December 2023		
Loan Installments		
Short term	Long term	Total
540	2,580	3,120
667	667	1,334
6,000	6,000	12,000
33,402	14,400	47,802
68	3	71
40,677	23,650	64,327
	Short term 540 667 6,000 33,402 68	Loan Installments Short term Long term 540 2,580 667 667 6,000 6,000 33,402 14,400 68 3

(In Thousands of Jordanian Dinars)

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

Arab Bank

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

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

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

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

Jordan Kuwait Bank

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

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

(In Thousands of Jordanian Dinars)

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

Housing Bank for Trade and Finance

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

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

Jordan Commercial Bank

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

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

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

(In Thousands of Jordanian Dinars)

Jordan Islamic Bank

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

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

Safwa Islamic Bank

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

(22) END OF SERVICE INDEMNITY PROVISION

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

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

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

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

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

(IN THOUSANDS OF JORDANIAN DINARS)

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

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

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

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

(23) DUE TO BANKS

Kingdom Electricity Company for Energy Investments Private Shareholding -

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

Jordan Press Foundation / AL-Rai and National Company-

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

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

(In Thousands of Jordanian Dinars)

(24) OTHER LIABILITIES

This item consists of the following:

This item consists of the following:		
	2023	2022
Trade payables	49,874	51,214
Revenues and grants received in advance	41,862	42,430
Lease contract obligations	8,318	8,916
Waste fees	12,146	11,329
Governmental provisions and fees	23,831	21,427
Contingent liabilities provision*	4,457	4,576
Rural fils payable	5,667	6,068
Due to the Ministry of Finance – television fees	5,660	5,667
Projects deposits	2,957	2,957
Accrued expenses	9,592	6,927
Contractors' payables and retentions	2,031	816
Other credit balances	38,631	39,860
	205,026	202,187
*Movements on provision for contingent liabilities during the year were as	follows:	
	2023	2022
Balance as at 1 January	4,576	4,570

(25) PROPERTY AND EQUIPMENT REVALUATION RESERVE

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

1,092

(1,211)

4,457

473

(467)

4,576

(26) FAIR VALUE RESERVE

Provision for the year

Paid during the year

Balance as at 31 December

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

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

(IN THOUSANDS OF JORDANIAN DINARS)

(27) SOCIAL SECURITY CORPORATION ACCOUNT - UNEMPLOYMENT FUND

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

Movements on the account during the year were as follows:

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

(28) MATERIAL PARTIALLY OWNED SUBSIDIARIES

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

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

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

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

(In Thousands of Jordanian Dinars)

	2023	2022
Material gains (losses) attributable to non-controlling interests		
Kingdom Electricity for Energy Investments	3,306	11,149
Jordan Press Foundation / Al-Rai	(1,128)	(726)
Jordanian Duty Free Shops	3,249	3,622
Al Daman for Investment	199	136
	Kingdom Electricit	ty for Energy
	Investme	ents
Condensed statement of financial position	2023	2022
Current assets	257,239	312,779
Non-current assets	575,534	545,819
Current liabilities	(358,367)	(388,034)
Non-current liabilities	(385,455)	(383,797)
Net equity	88,951	86,767
Share of non-controlling interests in equity	25,370	24,621
Condensed statement of comprehensive income	F02.000	502.040
Operating evenues	583,998	583,919
Operating expenses Administrative expenses	(479,671) (33,615)	(461,839) (30,803)
Late interest charges	(5,598)	(9,434)
Finance cost	(9,090)	(7,782)
Other expenses, net	(38,891)	(39,174)
Profit for the year before income tax	17,133	34,887
Income tax	(5,241)	(9,479)
Profit for the year	11,892	25,408
Other comprehensive income items	(871)	11,756
Total comprehensive income for the year	11,021	37,164
Attributable to the Company's shareholders	7,552	28,579
Attributable to non-controlling interests	3,469	8,585
Non-controlling interests' share of operating results	3,306	11,149
Condensed statement of each flavor		
Condensed statement of cash flows:	50 270	121 506
Operating activities Investing activities	50,378	121,506
Financing activities	(84,621) (27,631)	(41,060) (1,024)
Net (decrease) increase in cash and cash equivalents	(61,874)	79,422

(IN THOUSANDS OF JORDANIAN DINARS)

	Jordan Press Foundation / AL-R		
Condensed statement of financial position	2023	2022	
Current assets	3,026	2,812	
Non-current assets	20,252	22,385	
Current liabilities	(19,665)	(22,761)	
Non-current liabilities	(6,076)	(3,514)	
Net equity	(2,463)	(1,078)	
Share of non-controlling interests in equity	-	-	
Condensed statement of comprehensive income			
Revenue	E 764	E 169	
	5,764	5,468	
Cost of revenues	(5,862)	(6,013)	
Administrative expenses	(2,455)	(1,697)	
Other revenue, net	50	632	
Loss for the year	(2,503)	(1,610)	
Other comprehensive income items	-	-	
Total comprehensive income for the year	(2,503)	(1,610)	
Non-controlling interests' share of operating results	(1,128)	(726)	
Condensed statement of cash flows			
Operating activities	(987)	(315)	
Investing activities	(14)	(9)	
Financing activities	(88)	(289)	
Net decrease in cash and cash equivalents	(1,089)	(613)	

(In Thousands of Jordanian Dinars)

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

(In Thousands of Jordanian Dinars)

	Al Daman for Investment		
Condensed statement of financial position	2023	2022	
Current assets	3,668	3,312	
Non-current assets	8,901	8,864	
Current liabilities	(253)	(221)	
Non-current liabilities	(1,471)	(1,414)	
Net equity	10,845	10,541	
Share of non-controlling interests in equity	4,194	4,076	
Condensed statement of comprehensive income			
Condensed statement of comprehensive income Operating revenues	517	485	
Operating expenses	(342)	(322)	
Administrative expenses	(183)	(186)	
Share of associate's results	287	218	
Other revenues and expenses, net	225	31	
Profit for the year	504	226	
Other comprehensive income items	12	126	
Total comprehensive income for the year	516	352	
Non-controlling interests' share of operating results	199	136	
Condensed statement of cash flows:			
	66	157	
Operating activities Investing activities	(275)	300	
5	, ,	(102)	
Financing activities	(67)		
Net (decrease) increase in cash and cash equivalents	(276)	355	

(In Thousands of Jordanian Dinars)

(29) NET OPERATING REVENUES

2023-	Hotels sector*	Press and publishing sector	Power sector	Commercial sector	Other sectors	Total sectors
Operating revenues	38,680	5,764	581,998	66,821	8,256	701,519
Operating expenses	(13,542)	(3,790)	(479,671)	(41,246)	(3,957)	(542,206)
Net operating profit (loss)	25,138	1,974	102,327	25,575	4,299	159,313
	Hotels	Press and publishing	Power	Commercial	Other	Total
2022-	sector	sector	sector	sector	sectors	sectors
Operating revenues	35,525	5,468	583,919	55,955	8,408	689,275
Operating expenses	(13,124)	(5,871)	(461,839)	(33,350)	(5,597)	(519,781)
Net operating revenues	22,401	(403)	122,080	22,605	2,811	169,494

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

2023-	Amrah Crowne Plaza – Amman	Crowne Plaza- Petra	InterContinental – Aqaba	Holiday Inn – Dead Sea	Crowne Plaza Dead Sea	Total
Operating revenues	7,289	5,008	8,495	6,501	11,387	38,680
Operating expenses	(2,460)	(1,588)	(2,750)	(2,393)	(4,351)	(13,542)
Net operating revenues	4,829	3,420	5,745f	4,108	7,036	25,138
	Amrah Crowne	Crowne			Crowne	
	Plaza –	Plaza-	InterContinental	Holiday Inn -	Plaza Dead	
2022-	Amman	Petra	Aqaba	Dead Sea	Sea	Total
Operating revenues	6,862	4,007	8,924	5,907	9,825	35,525
Operating expenses	(2,621)	(1,278)	(2,899)	(2,356)	(3,970)	(13,124)
Net operating revenues	4,241	2,729	6,025	3,551	5,855	22,401

(30) INTEREST INCOME

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

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

(In Thousands of Jordanian Dinars)

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

o, INE I	
2023	2022
	11
` ,	10,532
	(1)
(3,912)	10,542
2023	2022
6,156	3,736
(485)	(384)
22.425	20,200
	36,309
28,096	39,661
2023	2022
107.584	77,083
7,988	7,875
115,572	84,958
	2023 136 (4,046) (2) (3,912) 2023 6,156 (485) 22,425 28,096 2023 107,584 7,988

(In Thousands of Jordanian Dinars)

(34) GENERAL AND ADMINISTRATIVE EXPENSES

This item consists of the following:

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

(35) FINANCE COST

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

(36) CASH AND CASH EQUIVALENTS

This item consists of the following:

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

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

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

(IN THOUSANDS OF JORDANIAN DINARS)

(37) RELATED PARTIES TRANSACTIONS AND BALANCES

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

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

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

(In Thousands of Jordanian Dinars)

(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.

(In Thousands of Jordanian Dinars)

OPERATING RISK

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

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

MARKET RISK

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

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

INTEREST RATE RISK

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

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

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

(In Thousands of Jordanian Dinars)

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

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

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

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

SHARE PRICE RISK

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

(IN THOUSANDS OF JORDANIAN DINARS)

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

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

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

FOREIGN CURRENCY RISK

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

LIQUIDITY RISK

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

(In Thousands of Jordanian Dinars)

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

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

gg				More than	More than			
	Up to	One	Three	six months	one year	More than		
	one	to three	to six	up to a	up to three	three	Without	
2023-	month	months	months	year	years	years	maturity	Total
Assets								
Cash and bank balances	22,623	_	_	_	_	_	_	22,623
Deposits at banks and financial institutions	192,545	501,353	452,969	774,747	_	_		1,921,614
Financial assets at fair value through profit or loss	132,343	301,333	432,303	114,141	_	_	141,795	141,795
Loans and granted debts	3,277	- 11,236	22,802	- 11,365	- 157,070	293,490	141,795	499,240
Financial asset at fair value through other	5,211	11,230	22,002	11,505	137,070	233,430		499,240
· ·							1,601,068	1,601,068
comprehensive income Investments in associates	-	-	-	-	-	-	542,084	542,084
Financial assets at amortized cost	307,354	- 183,998	166,052	299,766	- 2,417,279	5,361,537	-	8,735,986
	307,334	103,330	100,032	299,700	2,417,279	5,361,537		
Subscribers' contributions and rural fils assets	-	-	-	-	-	-	205,888	205,888
Projects under construction	-	-	-	-	-	-	122,222	122,222
Inventories	-	-	-	-	-	-	33,255	33,255
Property and equipment	-	-	-	-	-	-	408,664	408,664
Investment properties	-	-	-	-	-	-	898,449	898,449
Investments in joint operations	-	-	-	-	-	-	15	15
Due from a related party	-	-	-	-	-	-	181	181
Intangible assets	-	-	-	-	-	-	65,356	65,356
Other assets							419,129	419,129
Total Asset	525,799	696,587	641,823	1,085,878	2,574,349	5,655,027	4,438,106	15,617,569
Liabilities and Equity								
Liabilities-								
Subscribers' contributions and rural fils liabilities	-	-	-	-	-	-	205,888	205,888
Electricity service subscribers' deposits	-	-	-	-	-	90,838	-	90,838
Advance payments from electricity subscribers	-	-	-	-	-	24,751	-	24,751
Due to National Electric Power Company	-	-	-	-	-	143,949	-	143,949
Bank loans	2,000	-	15,110	22,959	13,867	10,391	-	64,327
Income tax provision	-	-	5,914	-	- '	-	-	5,914
End of service indemnity provision	-	_	-	-	-	_	24,078	24,078
Due to banks	89,324	_	-	-	-	_	-	89,324
Due to related parties	-	_	-	-	-	_	537	537
Other liabilities	_	_	_	_	_	205,026	-	205,026
	01 224		24.024	22.050	12.067		220 502	
Total liabilities	91,324		21,024	22,959	13,867	474,955	230,503	854,632
Equity-								
Social Security Corporation Equity:								
Social Security Corporation current account	-	-	-	-	-	-	7,349,136	7,349,136
Social Security Corporation current account -								
Unemployment Fund	-	-	-	-	-	-	93,573	93,573
Property and equipment revaluation reserve	-	-	-	-	-	-	31,812	31,812
Fair value reserve	-	-	-	-	-	-	453,487	453,487
Cash flow hedges reserve	-	-	-	-	-	-	3,860	3,860
Surplus of revenues over accumulated								
expenses	-	-	-	-	-	-	6,779,205	6,779,205
Total Social Security Corporation Equity	-	-				-	14,711,073	14,711,073
Non-controlling interests	-	-	-	-	-	-	51,864	51,864
Total liabilities and equity	91,324		21,024	22,959	13,867	474,955	14,993,440	15,617,569
. J.a. naomino ana oquity	01,027		21,027	22,555	10,007	17 7,500	. 1,000,440	10,017,000

(IN THOUSANDS OF JORDANIAN DINARS)

2022-	Up to one month	One to three months	More than three months	More than six months up to a year	More than one year up to three years	More than three years	Without maturity	Total
<u>Assets</u>								
Cash and bank balances	31,906	-	-	-	-	-	-	31,906
Deposits at banks and financial institutions	688,002	409,036	275,615	385,497	-	-	-	1,758,150
Financial assets at fair value through profit or loss	-	-	-	-	-	-	146,126	146,126
Loans and granted debts	2,851	12,527	17,981	20,096	93,359	250,921	-	397,735
Financial asset at fair value through other								
comprehensive income	-	-	-	-	-	-	1,743,436	1,743,436
Investments in associates	-	-	-	-	-	-	518,134	518,134
Financial assets at amortized cost	-	169,101	185,037	118,352	1,303,388	6,093,813	-	7,869,691
Subscribers' contributions and rural fils assets	-	-	-	-	-	202,041	-	202,041
Projects under construction	-	-	-	-	-	-	120,836	120,836
Inventories	-	-	-	-	-	-	36,349	36,349
Property and equipment	-	-	-	-	-	-	376,659	376,659
Investment properties	-	-	-	-	-	-	862,192	862,192
Investments in joint operations	-	-	-	-	-	-	15	15
Due from a related party	-	-	-	251	-	-	-	251
Intangible assets	-	-	-	-	-	-	69,629	69,629
Other assets	-	-	-	-	-	-	442,286	442,286
Total Asset	722,759	590,664	478,633	524,196	1,396,747	6,546,775	4,315,662	14,575,436
Liabilities and Equity								
Liabilities-								
Subscribers' contributions and rural fils liabilities	-	-	-	-	-	-	202,041	202,041
Electricity service subscribers' deposits	-	-	-	-	-	85,456	-	85,456
Advance payments from electricity subscribers	-	-	-	-	-	22,550	-	22,550
Due to National Electric Power Company	-	-	-	-	-	227,537	-	227,537
Bank loans	2,000	-	16,638	25,280	15,269	11,442	-	70,629
Income tax provision	-	-	10,034	-	-	-	-	10,034
End of service indemnity provision	-	-	-	-	-	-	22,333	22,333
Due to banks	40,355	-	-	-	-	-	-	40,355
Due to related parties	-	-	-	-	-	-	55	55
Other liabilities						202,187		202,187
Total liabilities	42,355	-	26,672	25,280	15,269	549,172	224,429	883,177
Equity-								
Social Security Corporation Equity:							0.070.000	0.070.000
Social Security Corporation current account	-	-	-	-	-	-	6,972,968	6,972,968
Social Security Corporation current account –								
Unemployment Fund	-	-	-	-	-	-	84,910	84,910
Property and equipment revaluation reserve	-	-	-	-	-	-	31,812	31,812
Fair value reserve	-	-	-	-	-	-	577,896	577,896
Cash flow hedges reserve	-	-	-	-	-	-	4,469	4,469
Surplus of revenues over accumulated expenses							5,966,777	5,966,777
Total Social Security Corporation Equity	-	-	-	-	-	-	13,638,832	13,638,832
Non-controlling interests							53,427	53,427
Total liabilities and equity	42,355		26,672	25,280	15,269	549,172	13,916,688	14,575,436

(IN THOUSANDS OF JORDANIAN DINARS)

Sensitivity of interest prices were as follows:

			More		More than			
	Up to	More	than	More than	one year up			
	one	than one	three	six months	to three	More than	Non-interest	
2023-	month	month	months	up to a year	years	three years	bearing	Total
Assets								
Cash and bank balances	22,623	-	-	-	-	-	-	22,623
Deposits at banks and financial institutions	192,545	501,353	452,969	774,747	-	-	-	1,921,614
Financial assets at fair value through profit or								
loss	-	-	-	-	-	-	141,795	141,795
Loans and granted debts	3,277	11,236	22,802	11,365	157,070	293,490	-	499,240
Financial asset at fair value through other								
comprehensive income	-	-	-	-	-	-	1,601,068	1,601,068
Investments in associates	-	-	-	-	-	-	542,084	542,084
Financial assets at amortized cost	307,354	183,998	166,052	299,766	2,417,279	5,361,537	-	8,735,986
Subscribers' contributions and rural fils assets	-	-	-	-	-	-	205,888	205,888
Projects under construction	-	-	-	-	-	-	122,222	122,222
Inventories	-	-	-	-	-	-	33,255	33,255
Property and equipment	-	-	-	-	-	-	408,664	408,664
Investment properties	-	-	-	-	-	-	898,449	898,449
Investments in joint operations	-	-	-	-	-	-	15	15
Due from a related party	_	-	-	-	-	-	181	181
Intangible assets	_	-	-	-	-	-	65,356	65,356
Other assets	_	-	-	-	-	-	419,129	419,129
Total Asset	525,799	696,587	641,823	1,085,878	2,574,349	5,655,027	4,438,106	15,617,569
	020,.00		0.1,020	.,000,0.0	2,01 1,010	0,000,021	.,,	.0,0,000
<u>Liabilities and equity</u> Liabilities-								
Subscribers' contributions and rural fils liabilities	-	-	-	-	-	-	205,888	205,888
Electricity service subscribers' deposits	-	-	-	-	-	90,838	-	90,838
Advance payment from electricity subscribers	-	-	-	-	-	24,751	-	24,751
Due to National Electric Power Company	-	-	-	-	-	143,949	-	143,949
Bank loans	2,000	-	15,110	22,959	13,867	10,391	-	64,327
Income tax provision	-	-	5,914	-	-	-	-	5,914
End of service indemnity provision	-	-	-	-	-	-	24,078	24,078
Due to banks	89,324	-	-	-	-	-	-	89,324
Due to related parties	-	-	-	-	-	-	537	537
Other liabilities	-	-	-	-	-	205,026	-	205,026
Total Liabilities	91,324		21,024	22,959	13,867	474,955	230,503	854,632
				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				
Equity-								
Social Security Corporation Equity:								
Social Security Corporation current account	_	_	_	_	_	_	7,349,136	7,349,136
Social Security Corporation current account –							7,549,150	7,549,150
Unemployment Fund	_	_	_	-	-	-	93,573	93,573
Property and equipment revaluation reserve	_	-	-	-	-	-	31,812	31,812
Fair value reserve	_	-	-	-	-	-	453,487	453,487
Cash flow hedges reserve	-	-	-	-	-	-	3,860	3,860
Surplus of revenues over accumulated	-	-	-	-	-	-	6,779,205	6,779,205
expenses								
Total Social Security Corporation Equity	-	-	-	-	-	-	14,711,073	14,711,073
Non-controlling interests	-	-	-	-	-	-	51,864	51,864
Total liabilities and equity	91,324		21,024	22,959	13,867	474,955	14,993,440	15,617,569
• •								. 0,0.7,000
Sensitivity variance	434,475	696,587	620,799	1,062,919	2,560,482	5,180,072	(10,555,334)	
Cumulative sensitivity variance	434,475	1,131,062	1,751,861	2,814,780	5,375,262	10,555,334		

(In Thousands of Jordanian Dinars)

2022-	Up to one month	More than one month	More than three months	More than six months up to a year	More than one year up to three years	More than three years	Non- interest bearing	Total
<u>Assets</u>								
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- Subscribers' contributions and rural fils liabilities Electricity service subscribers' deposits Advance payment from electricity subscribers Due to National Electric Power Company Bank loans Income tax provision End of service indemnity provision Due to banks Due to related parties Other liabilities Total Liabilities	2,000 - 40,355 - 42,355	- - - - - - - - - -	- - - 16,638 10,034 - - - - 26,672	- - - 25,280 - - - - - 25,280	- - - 15,269 - - - - - - 15,269	85,456 22,550 227,537 11,442 - - - 202,187 549,172	202,041 - - - - - - 22,333 - 55 - 224,429	202,041 85,456 22,550 227,537 70,629 10,034 22,333 40,355 55 202,187 883,177
Equity- Social Security Corporation Equity: Social Security Corporation current account Social Security Corporation current account –	-	-	-	-	-	-	6,972,968	6,972,968
Unemployment Fund	-	-	-	-	-	-	84,910	84,910
Property and equipment revaluation reserve	-	-	-	-	-	-	31,812	31,812
Fair value reserve	-	-	-	-	-	-	577,896	577,896
Cash flow hedges reserve	-	-	-	-	-	-	4,469	4,469
Surplus of revenues over accumulated expenses	-	-	-	-	-	-	5,966,777	5,966,777
Total Social Security Corporation Equity		-		-	-	-	13,638,832	13,638,832
Non-controlling interests	-	-	-	-	-	-	53,427	53,427
Total liabilities and equity	42,355		26,672	25,280	15,269	549,172	13,916,688	14,575,436
Sensitivity variance	680,404	590,664	451,961	498,916	1,381,478	5,997,603	(9,601,026)	
Cumulative sensitivity variance							(0,001,020)	
Cumulative Sensitivity variable	680,404	1,271,068	1,723,029	2,221,945	3,603,423	9,601,026		

(In Thousands of Jordanian Dinars)

(40) SEGMENT INFORMATION

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

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

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

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

(41) CONTINGENT LIABILITIES

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

- A. As at 31 December 2023, the outstanding letters of credit and letters of guarantee were JD 9,937 thousand (2022: JD 9,561 thousand).
- B. The expected remaining obligations to complete projects in progress for subsidiaries and Hotels owned by the Fund as at 31 December 2023 amounted to JD 174,798 thousand (2022: JD 242,202 thousand).
- C. Operating lease commitment for Al Daman for Investments (Subsidiary):

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

(In Thousands of Jordanian Dinars)

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

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

(42) FAIR VALUE HIERARCHY

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

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

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

(In Thousands of Jordanian Dinars)

(43) LITIGATIONS

Social Security Investment Fund

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

Jordan Press Foundation Al-Rai - Subsidiary

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

Jordanian Duty Free Shops - Subsidiary

- A. There is a number of labor lawsuits against the Group amounting to JD 31,497. In the opinion of the Group's management and legal consultant, provisions for these lawsuits are sufficient.
- B. There is a case filed by the group against the Eastern Company for Tobacco and Cigarettes for the amount of JD 850,000 for the damages and harm suffered by the Jordanian Duty-Free Shops Company due to damaged smoke products. Additionally, the defendant (Eastern Company for Tobacco and Cigarettes) has filed a claim to demand an amount of JD 900,000. According to the lawyer's opinion, the position of the Jordanian Duty-Free Shops Company is excellent, and it is expected that the claim of the Eastern Company for Tobacco and Cigarettes will be fully rejected.
- C. The group has filed a lawsuit against a Contracting Company for an amount of JOD 2,834 thousand related to the contractor's breach of contract, due fines, as well as a claim for compensation for delay and damage amounting to JOD 200,000. Similarly, the defendant has lodged a claim for an amount of JOD 4,516 thousand, arguing that Jordan Duty Free Shops Company owes this sum for additional work orders and work completed. According to the lawyer's opinion, arbitration proceedings are still in the expertise phase and the position of Jordan Duty Free Shops company is very good. It is expected that the claim is likely to be reduced to approximately JOD 1.2 million before any set-off is carried out with the sum adjudged in Favor of First shop's claim. In the opinion of the Group's management and legal consultant, provisions for these lawsuits are sufficient

National Company for Tourism Development - Subsidiary

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

(In Thousands of Jordanian Dinars)

Kingdom Electricity Company for Energy Investments – Subsidiary

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

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

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

Crowne Plaza Resort - Dead Sea - Fully Owned Hotel

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

Intercontinental Resort - Agaba - Fully Owned Hotel

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

Holiday Inn Resort - Dead Sea - Fully Owned Hotel

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

Crowne Plaza Hotel – Amman – Fully Owned Hotel

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

(In Thousands of Jordanian Dinars)

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

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

(44) INCOME TAX PROVISION

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

9 ,		
	2023	2022
Balance as at 1 January	10,034	6,038
Income tax expense for the year	7,997	11,810
Income tax deposits	(113)	(455)
Income tax paid	(12,004)	(7,359)
Balance as at 31 December	5,914	10,034
Income tax presented in the consolidated statement of revenue and expens	se is as follows:	
	2023	2022
Income tax expense for the year	7,997	11,810
Change in deferred tax assets	(638)	(577)
	7,359	11,233

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

Social Security Investment Fund

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

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

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

(In Thousands of Jordanian Dinars)

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

Kingdom Electricity Company for Energy Investments

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

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

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

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

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

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

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

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

(IN THOUSANDS OF JORDANIAN DINARS)

Jordan Press Foundation Public Shareholding Company / Al-Rai

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

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

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

Jordanian Duty Free Shops Public Shareholding Company – Subsidiary

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

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

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

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

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

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

(In Thousands of Jordanian Dinars)

National Company for Touristic Development - Subsidiary

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

- Income Tax Provision - Amman Branch:

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

- Income Tax Provision - Agaba Branch:

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

Al-Daman for Investments Public Shareholding Company – Subsidiary

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

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

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

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

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

(In Thousands of Jordanian Dinars)

Rama for Investing and Saving Company - Subsidiary

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

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

Al-Daman for Development Zones – Subsidiary

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

United Travelling Center – Subsidiary

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

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

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

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

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

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

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

(In Thousands of Jordanian Dinars)

Al-Daman Jordanian International Investments LLC - Subsidiary Company

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

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

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

Al-Daman Leasing & Finance Limited Liability Company – Subsidiary

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

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

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

Al-Daman Jordanian International Business Limited Liability Company - Subsidiary

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

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

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

(In Thousands of Jordanian Dinars)

(45) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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

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

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

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

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

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

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

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

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

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

(In Thousands of Jordanian Dinars)

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

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

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

(46) COMPARATIVE FIGURES

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