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His Majesty king Abdullah II
Bin Al Hussien



His Royal Highness Crown Prince
Al Hussien Bin Abdullah II

About the Investment Fund

Background

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

SSIF reviews its investment policy periodically in order to keep up-to-date with economic developments, seize investment opportunities, and maintain international best practices in the management of pension funds. These reviews focus on two key perspectives:

First: To invest SSC funds in ways that realize the returns needed to meet future obligations towards subscribers under the social security umbrella within acceptable risk levels.

Second: A national perspective in which SSC contributes to economically feasible investments that realize meaningful returns and enhance economic growth.



Strategic Core

Vision

We invest to secure generations' future

Mission

To realize rewarding and sustainable returns on invested funds, provide the liquidity needed to fulfill future obligations towards social security subscribers, contribute to the growth of the national economy, and implementing the best related international standards.

Core Values

We Invest Responsibly:

- We are proud of our independence in making investment decisions.
- We adopt best practices and performance indicators.
- We adopt risk adjusted economic feasibility as the basis of our investment.

We Work Professionally:

- We are committed to integrity, objectivity, and the ability of our employees to make the right decisions.
- We cooperate on all levels to realize our mission and strategic objectives.
- We adhere to an environment conducive to outstanding performance and we continuously aim to develop our staff's technical and professional capabilities.

We believe in corporate governance:

- Our decisions are based on methodologies that reflect the highest levels of transparency.
- Corporate social responsibility enhances the investment environment.
- We adopt a methodology and organizational framework which ensure that operations conform to legislation and policies.

Organizational Structure



SSIF Investment Board

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

- The SSIF Executive Chairman as Vice Chairman
- The SSC Director General
- A representative of workers
- A representative of / employers
- Five experts and specialists appointed by the Council of Ministers based on the recommendation of SSC Board, provided that the Council of Ministers names one of them as non-fulltime Chairman of the Board

In addition, the SSIF Chairman/ Vice Chairman of the Investment Board shall be appointed by a resolution of the Council of Ministers based on the recommendation of the SSC Chairman of the Board.

Members of the SSIF Investment Board

- HE Mr. Suleiman Al Hafez, SSIF Chairman of the Investment Fund, Vice Chairman of the Board¹
- HE Mrs. Nadia Al Rawabdeh, SSC Director General
- HE Mr. Mazen Al Ma'aitah, Representative of Workers, Member
- HE Mr. Alaa Eddine Diraniyeh Representative of Employers, Member
- HE Mr. Omar Malhas², Member
- HE Mr. Samir Murad, Member
- HE Mr. Ziad Al-Homsi, Member
- HE Dr. Tariq Al-Hammouri, Member

1 A Chairman of the Investment Board was not appointed in 2015
2 Until October 2015, when he was appointed by Royal Decree as Minister of Finance



Duties of the SSIF Investment Board

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



Meetings of the SSIF Investment Board

The Board held 18 meetings during 2015.

Remunerations of the SSIF Investment Board

Pursuant to the provisions of Article (14), Paragraph (E) of the Social Security Law No (1) of 2014, members of the Investment Board shall receive the following monthly remunerations:

- The non-fulltime Chairman of the Investment Board of shall receive a monthly remuneration of JD 3,500 by a decision of the Council of Ministers, based on the recommendation of the Chairman of the SSC Board of Directors.
- Members of the Investment Board shall receive a monthly remuneration of JD 500, payment of which is linked to the member's attendance of the Board's monthly meetings.

Subcommittees of the SSIF Investment Board

1: Audit Committee

A- Duties

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



B- Audit Committee Meetings

Committee Members

Mr. Omar Malhas ³	Chairman
Mr. Ziad Al-Homsi ⁴	
Mr. Mazen Al Ma'aitah	Member
Mr. Alaa Eddine Diraniyeh	Member
Mr. Mohammad Madi, Director of the Internal Audit Department	Committee's Secretary

Committee Meetings

- The Committee held 12 meetings.
- Committee members receive a remuneration of JD 300 per meeting, at a maximum of two meetings per month. The remuneration is linked to attendance of the meetings.
- The committee's secretary receives a remuneration of JD 200 per month.

2: Investment Governance Committee:

A- Duties

- 1- Recommend to the Good Governance Committee of the SSC Board created in accordance with the provisions of Article 17 of the Social Security Law, to approve 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 SSIF that are adopted by the 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 Investment Board the rules governing corporate representation on the boards of directors of shareholding companies, including assessment criteria of people nominated to represent the Social Security Corporation.

8- Ensure the sound implementation of the rules and criteria set for the SSC's representation on the boards of directors and managements of companies.

9- Ensure the independent custody of investment assets.

10- Ensure compliance by Investment Board members, SSIF personnel, and representatives of the 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 SSIF staff.

12- Ensure compliance with the investment performance assessment and evaluation policy.

13- Ensure the existence of specific criteria for the qualifications and capabilities that must be met by the SSIF staff.

14- Ensure the effectiveness of the investment reporting systems and their content.

15- Exercise other powers vested in it in accordance with executive instructions issued in accordance with this regulation.

16- Any other duties assigned to it by the Investment Board.



B- Investment Governance Committee Meetings

Committee Members

Dr. Tariq Al-Hammouri	Chairman
Mrs. Nadia Al Rawabdeh	Member
Mr.Ziad Al-Homsi	Member
Mr. Jehad Al Shara, Director of the Equity Support Department	Committee Secretary

Committee Meetings

- The Committee held 7 meetings.
- Committee members receive a remuneration of JD 300 per meeting, at a maximum of two meetings per month. The remuneration is linked to attendance of the meetings.
- The committee's secretary receives a remuneration of JD 200 per month.

3 Investment Risk Committee:

A- Duties

- 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 analyze investment risks related to investment portfolios and ensure the optimal implementation of risk management.
- 3- Monitor deviations from the risk management policy and recommend the necessary decisions regarding them.
- 4- Study and review the Risk Management Department's reports and submit the necessary recommendations regarding them.
- 5- Exercise any other authority vested in it under the provisions of this regulation, and the instructions issued pursuant thereto.
- 6- Any other duties assigned to it by the Investment Board



B- Investment Risk Committee Meetings

Committee Members

Mr. Samir Murad	Chairman
Mr. Omar Malhas ⁵	Member
Dr. Tariq Al-Hammouri	Member
Mr. Alaa Eddine Diraniyeh ⁶	Member
Mr. Nidal Al Qubbaj, Acting Director of the Risk Management and Strategic Planning Department	Committee's Secretary

Committee Meetings

- The Committee held 10 meetings.
- Committee members receive a remuneration of JD 300 per meeting, at a maximum of two meetings per month. The remuneration is linked to attendance of the meetings.
- The committee's secretary receives a remuneration of JD 200 per month.

Relationship between the SSIF Investment Board and the SSC Board

The provisions of Article (11) of the Social Security Law No.(1) of 2014 regulate the relationship between the Investment Board and the SSC Board of Directors. The Board of Directors oversees both streams of the SSC's affairs and activities: insurance (Social Security Corporation) and investment (Social Security Investment Fund). For this purpose, it is assigned all the necessary powers and responsibilities, including:

- 1- Approve the SSC's overall investment policy to maximize the market value of assets, set investment objectives, and define the criteria, mechanisms and determinants of investments.
- 2- Monitor the investment process to maximize the portfolio, hedging, tracking, and realizing the goals of the investment policy.
- 3- Approve the overall plan for investing the SSC's funds.
- 4- Approve the SSC's annual budget showing the different areas of expenditure and the sums allocated to each one of them.

Approving the SSC's annual report and closing financial statements.

⁵ During the period from 1/1/2015 to 8/11/2015, following which he was appointed by Royal Decree as Minister of Finance

⁶ As of 24/11/2015



Human Resources and Executive Management

▪ Human Resources

The staff of the SSIF at the end of 2015 consisted of 75 employees, 21 of whom were women, with seven women holding senior and middle management position.

In spite of the challenges that have faced the SSIF since it was placed under the umbrella of the Civil Service Bureau in 2012 in terms of attracting competent staff specialized in investment and retaining outstanding staff, the Fund has spared no effort to retain outstanding staff, limit staff turnover, and train and empower staff at all management levels. Accordingly, SSIF staff took part in 199 training courses in 2015. Employees in the investment and specialized technical departments have strong professional qualifications, higher university degrees, and specialized professional certificates in financial analysis, project management, risk management, Oracle, and others

▪ Executive Management

Treasury Department

The department manages the SSIF's cash surpluses through investment in money market tools, bonds and participation in syndicated loans.

Treasury Department Manager: Mr. Issam Khateeb

Project Finance and Private Equity Department

The department manages and follows-up on the private equity portfolio, and studies and analyzes investment opportunities in different economic sectors and infrastructure projects.

Acting Department Manager: Mr. Emad Kodah

Real Estate Department

The department studies investment opportunities in the real estate sector and manages SSIF-owned real estate including land, commercial complexes and others.

Department Manager: Eng. Ahmad Malkawi



Public Equity Department

The department studies investment opportunities and manages SSIF investments in public shareholding companies listed in the Amman Stock Market and in markets abroad.

Department Manager: **Mr. Emad Kodah**

Equity Support Department

The department follows-up on the SSIF's investments in public and private shareholding companies through a comprehensive management, monitoring, and direction system to ensure effective representation in the companies in which the SSC invests, and to ensure implementation of the principles of good governance.

Department Manager: **Mr. Jehad Al Shara**

Financial Control Department

The Department prepares the Fund's financial statements in accordance with international standards of financial disclosure, prepares budgets, and monitors and analyzes deviations from the Fund's annual budget.

Acting Department Manager: **Mrs. Manal Oreiqat**

Risk Management and Strategic Planning Department

The department identifies types of investment and operational risks related to SSIF activities, assesses these risks and manages them to achieve the targeted returns on each investment activity within acceptable risk levels.

Acting Department Manager: **Nidal Qubbaj**

Internal Audit Department

The Department ensures the soundness of the Fund's different activities objectively and independently according to regulatory legislation, regulations, and instructions, and it ensures compliance with international Financial Reporting Standards.

Department Manager: **Mohammad Madi**

Legal Office

The legal office provides legal opinion, drafts and reviews agreements, contracts and MoUs, and it reviews regulations and instructions that govern the Fund's work.

Head of Legal Office: **Ms. Reem Abzakh**



Operations and Administrative Department:

The department executes all operations, financial affairs, opening accounts, and management of the archive system, and provides the support services needed to perform the Fund's activities.

Department Manager: Saeed Shanan

IT Department

The department manages all the Fund's E-Systems and connectivity with stakeholders.

Acting Department Manager: Mr. Issam Khateeb

Corporate Communications Department and Board Secretariat

The department works to strengthen the Fund's position as a long-term national investor by consolidating an environment of cooperation with partners, providing an effective internal communication environment, as well as following-up on the Investment Board's activities and resolutions.

Acting Department Manager: Ms. Amani Elkayed

Human Resources Department

The Department ensures the Fund's needs of competent human resources and trains them to refine their skills and knowledge.

Acting Department Manager: Saeed Shanan



Strategic Plan

The SSIF's strategic plan reflects the objectives that the Investment Fund works to achieve in order to maximize the real value of SSC's assets in the targeted strategic distribution and with within acceptable risk levels, consistent with the results of the actuarial studies, to meet the future obligations of the Corporation, as follows:

- 1- Realizing meaningful returns within acceptable risk levels and according to the investment policy adopted by the SSC Board of Directors.
- 2- Providing the necessary liquidity to cover the SSC's long-term commitments.
- 3- Consolidating the Investment Fund's image as a long-term national investor.
- 4- Compliance with the standards of good governance, transparency and disclosure.
- 5- Development of the skills of human resources and providing a stimulating and supportive environment for the Investment Fund's activities.
- 6- Implementing international best standards and practices.
- 7- Contributing to the enhancement of social responsibility.

SSIF Investment Policy

Pillars of the investment policy:

1- Rewarding national investment.

Giving priority to local investments (within Jordan) that generate meaningful returns and that are consistent with the strategic objectives of the SSIF.

2- Investment diversification.

Diversifying the instruments through which SSC funds are invested, as permitted by the overall investment policy, to weaken the interrelation between assets in the portfolio, minimize investment risks, and achieve the best possible returns, while protecting the real value of SSC's assets and taking into consideration the geographic diversity of investments.

3- Asset Allocation.

Along with diversifying instruments through which SSC funds are invested, it is important to avoid concentration of investments in the same instrument.

4- Liquidity.

Maintaining the cash flow necessary to match assets with liabilities.



5- Economic data and indicators.

Basing investment decisions on economic data and indicators reflect the domestic and external economic situation, while investment in instruments that are inconsistent with this economic reality, as well speculation as avoided.

6- Hedging against inflation.

Hedging investments in assets against inflationary factors that may adversely affect these assets.

7- Investment time horizon.

The time horizon of investments should be consistent with SSC's need to cover SSC future liabilities according to the actuarial studies results.

8- Safety.

Following the best procedures and principles in implementing investment transactions to ensure soundness and safety of investments and conducting transactions only through an accredited custodian of high rating.

9- Ethical standards.

Avoiding investment in areas that are prohibited locally or internationally, or investments that do not conform to standards of public morality.

Objectives of investment

1- Return Enhancement

Achieve a long-term average cumulative return over the cost of funds used in the actuarial analysis (analysis conducted by the SSC every three years) adopted for the purposes of the Social Security Corporation.

2- Risk Mitigation

Determine the acceptable risk level, taking into account the structure of the target asset distribution structure, based on the required rate of return as well as present and future liabilities of the Social Security Corporation based on the results of actuarial studies.

Mechanism of Investment Decision Making

The SSIF's investment decision-making process is governed by the tools of institutional work in order to regulate the powers of investment decision-making to ensure the integrity of the decision and investment merit. Instructions and powers to make investment decisions are in place, starting at the level of the investment departments concerned with studying each opportunity individually to ensure that it is compatible with the overall investment objectives of the Fund.

These opportunity studies are then presented to the Investment Committee, which in turn submits its recommendations to the Investment Board in light of the results of the financial, technical and legal studies. The Board makes the appropriate decision within its powers and the overall framework of the Fund's investment policy as approved by the SSC Board of Directors.



It's worth mentioning that the Investment Committee consists of four directors of investment departments and an observer from the Risk and Strategic Planning Department, under the chairmanship of the SSIF Executive Chairman. The Committee examines all recommendations received from the Fund's departments and takes the necessary decisions within its powers in accordance with the legislation in force.

SSIF Corporate Governance

1: Governance structure

The SSIF's governance structure consists of several levels: The first is the Board of Directors of the Social Security Corporation, chaired by His Excellency the Minister of Labor, and whose membership includes the Chairman of the Social Security Investment Fund and the Director General of the Social Security Corporation. The Board is mainly concerned with approving the Fund's overall investment policies, annual budget, and the strategic distribution of the investment portfolios drawn by the SSIF.

The next level is the SSIF Investment Board, which oversees the implementation of the investment policy and takes investment decisions. The Investment Board consists of nine people: the Chairman of the Investment Fund, a representative of workers, a representative of employers, the SSC Director General, and five persons of competence, including the Chairman of the Investment Board, appointed by the Council of Ministers. There are several Investment Board committees that are independent of the SSIF Executive Management, whose responsibility is to ensure that the SSIF follows the best practices of governance at all levels. These committees are:

- A - Audit Committee
- B - Investment Governance Committee
- C - Investment Risk Committee

Members of the Investment Board are required fill forms disclosing any conflicts of interest on their appointed as members of the SSIF Investment Board and before attending the first meeting, in accordance with the provisions of Article 10, Paragraph A of the Social Security Investment Fund and Investment Board Bylaw No. 97 for the year 2014.



2: Corporate Governance Guidelines

Corporate governance aims to ensure that the administration of a corporation serves the interests of the corporation's owners and stakeholders, and that the incentives stipulated in legislation, administrative systems, and contracts work effectively to promote sound management in the corporation.

In the context of social security corporations, the International Social Security Association (ISSA) defines governance as “the manner in which the vested authority uses its powers to achieve the institution's objectives, by designing, implementing and innovating the institution's policies and the rules, systems and processes, that govern the institution's work, and setting appropriate frameworks to engage and involve all stakeholders. Good governance in social security corporations views the authority's practices from five-key perspectives: accountability, transparency, predictability, stability, participation, and dynamism.”

The SSIF issued the first guidelines for good governance in 2008 to establish the appropriate standards and set rules, mechanisms and practices aimed at the best implementation of governance at the SSC and the SSIF in a manner which ensures that the institution's administration serves the interests of the insured, and retirees, while stimulating sound management. The Corporation / Fund reviews and updates the guidelines periodically to keep abreast with international best practices in governance and transparency.

Corporate Social Responsibility

The Fund is committed to participate in corporate social responsibility (CSR) and support CSR initiatives of national institutions out of SSIF's belief in the importance of the societal dimension in its work. This is reflected in the Fund's keenness to observe transparency and implement the standards of governance, support national institutions that have a social and environmental dimension and support the participation of SSIF staff in these initiatives.

SSIF internal environment

- The SSIF has a recruitment and succession planning policy that guarantees recruitment and retention of qualified personnel. However, it should be noted here that the SSIF has been under the umbrella of the Civil Service Bureau since 2012.
- SSIF staff from all departments and administrative levels are involved in formulating and defining the SSIF's core strategy and reviewing and updating the Fund's strategic plan and departments plans, which are also posted on the Fund's internal website (Intranet).
- The Fund sets a training plan for all employees at the beginning of each year based on the training needs defined by the employee and his/ her direct supervisor. The employee assesses the training course after its conclusion, in addition to the direct supervisor's assessment of the employee's performance after the end of training.



- The Fund prepares a staff satisfaction survey annually and takes corrective action to address weaknesses that emerge from analyzing the survey's results.
- The Fund provides for its employees the means of workplace comfort and safety within its premises.
- The Fund holds workshops and lectures for all employees on laws and regulations related to the Fund's work.
- The Fund's employees are subscribed in the health care program of the King Hussein Cancer Foundation.
- The Fund is attentive to organize, through the Social Activities Committee, activities that enhance bonding between the staff and to honor employees on official occasions and holidays.

The Environment

The Fund is committed to implementing the SSIF Social Responsibility strategy, which springs from the Fund's core values. One of the main pillars of the core values is contributing to the sustainable development of society and the environment. The Fund worked diligently to create a positive internal environment and to continuously apply environmentally friendly projects. In 2014, SSIF was awarded first place as the best government sector to apply a paper recycling program by the Jordan Environment Society. The Fund also launched in 2009, in cooperation with the Jordan Environment Society, the environment-friendly offices project which aims to reduce paper consumption and provide an efficient, healthy and environment-friendly work environment for SSIF employees.

Transparency and disclosure

The Fund implements standards of accounting and periodic financial disclosure. Accordingly, the Fund discloses its standalone and consolidated financial statements in addition to the independent auditors' report in the Fund's annual report, which is published on the Fund's website. The Fund also publishes the quarterly financial performance report for the performance of the investment portfolios on the website.

Training university students

Since the Fund's creation, it trained university students in specialized departments as credit hours towards their graduation. The Fund also trains its employees on the rules of work in pension funds and international best practices in this area as well as regulatory and accounting rules that govern the Fund's work. This helps enrich students' knowledge base, link this knowledge to applied practical experience, and support the Fund's interaction with educational institutes in the Kingdom.

Financial performance in 2015

1: Summary of financial performance

A) Growth of SSIF Assets

The Fund's assets⁽¹⁾ recorded a growth of JD 783.1 million and 11.4%. The Fund's assets as of December 31, 2015 amounted to JD 7,642.9 million compared to JD 6,859.8 as at the end of 2014. and as ration (11.4%)

Table 1: Distribution of assets as of 31/12/2015

Assets	JD million	Relative weight
Money market instruments portfolio	935.4	12.24%
Bonds portfolio	3,412.3	44.65%
Loans portfolio	160.8	2.10%
Investments at fair value through profit and loss – property instruments	115.5	1.51%
Investment in corporate shares through comprehensive income	1,876.8	24.56%
Investments in shares of private companies through comprehensive income	211.6	2.77%
Real estate portfolio	537.9	7.04%
External investment portfolio	27.9	0.36%
Investments in hotels	247.5	3.24%
Other assets	117.5	1.54%
Total assets	7,642.9	100.00%

⁽¹⁾This part of the financial analys's is based on the standalone financial statements of the Fund and therefore it does not reflect the effect of consolidation of the financial statements with hotels, rest houses and subsidiary companies.

Financial performance in 2015

Figure 1: Distribution of assets as of December 31, 2015

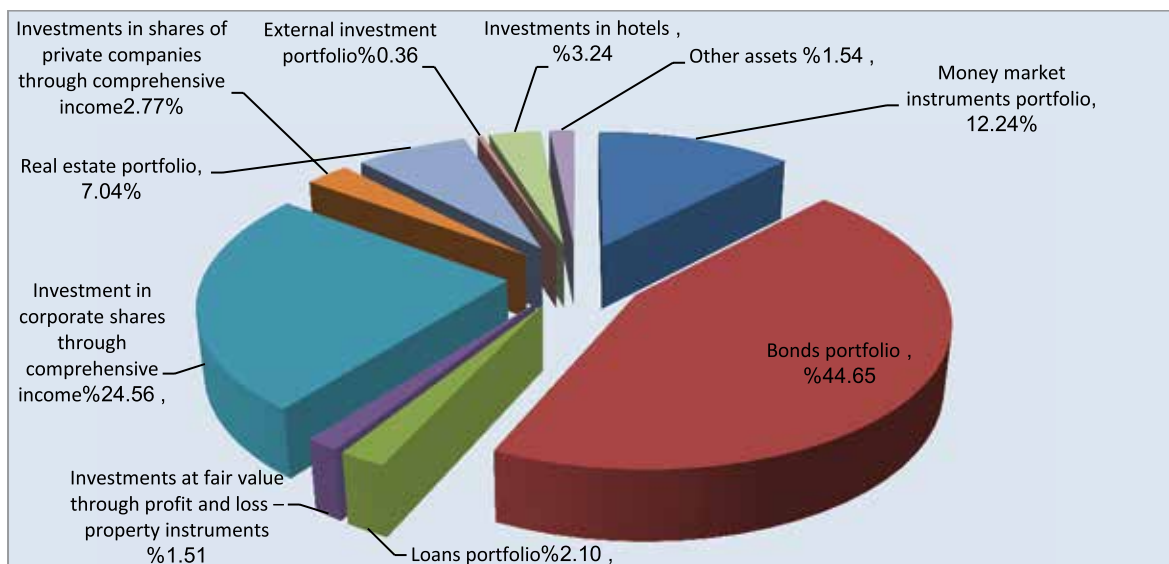
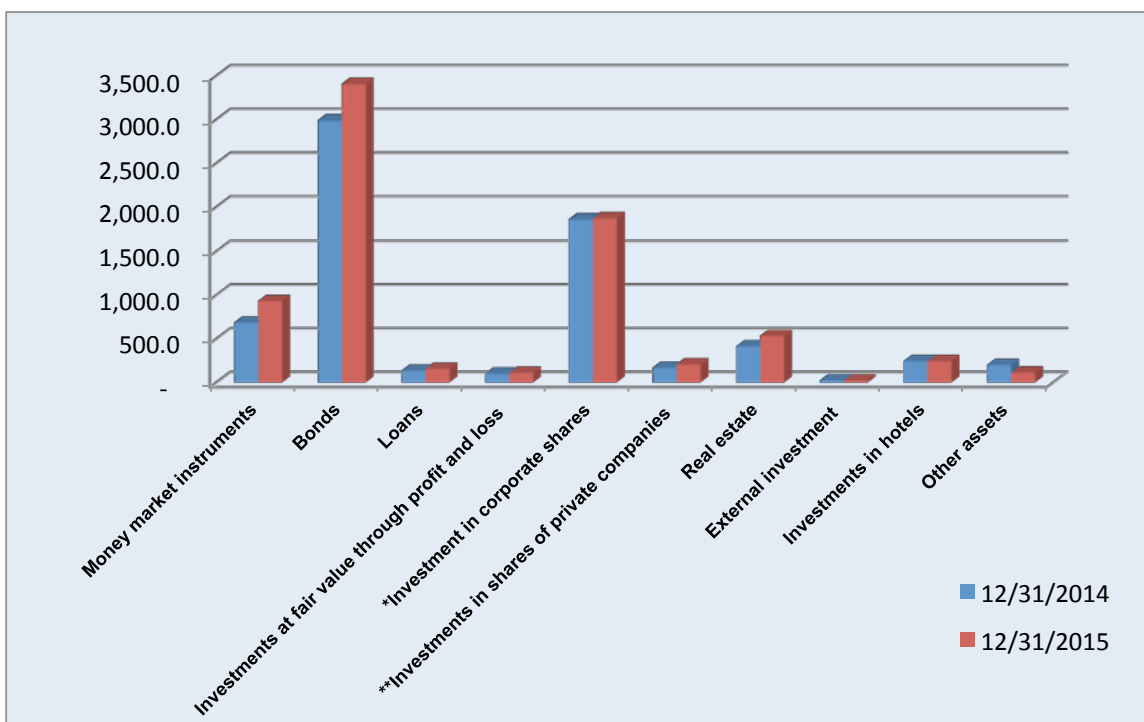


Figure 2: Comparative Distribution of Assets (2014-2015)



* Investment in corporate shares through comprehensive income

** Investment in share of private companies through comprehensive income

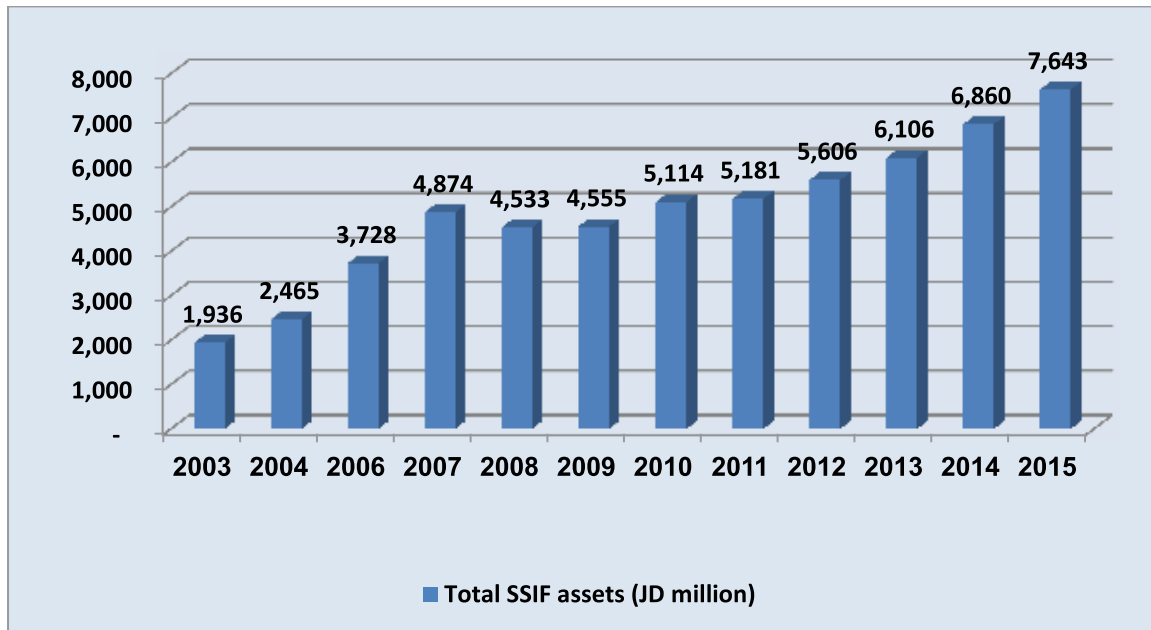
Financial performance in 2015

Table 2: Comparative Distribution of Assets (2014-2015)

Assets	31/12/2014 JD million	31/12/2015 JD million	Change (JD million)	Rate of change
Money market instruments portfolio	689.2	935.4	246.1	36%
Bonds portfolio	2,995.7	3,412.3	416.6	14%
Loans portfolio	138.5	160.8	22.3	16%
Investments at fair value through profit and loss – property instruments	106.3	115.5	9.2	9%
Investment in corporate shares through comprehensive income	1,863.6	1,876.8	13.2	1%
Investments in shares of private companies through comprehensive income	171.6	211.6	39.9	23%
Real estate portfolio	416.1	537.9	121.8	29%
External investment portfolio	26.9	27.9	1.0	4%
Investments in hotels	247.5	247.5	-	0%
Other assets	204.5	117.5	(87.1)	-43%
Total assets	6,859.8	7,642.9	783.06	11%

Financial performance in 2015

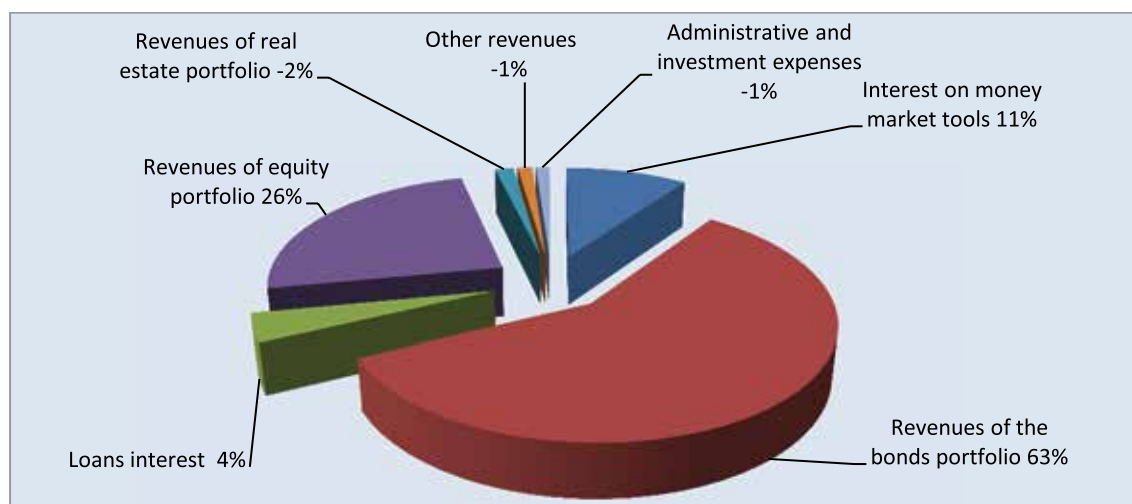
Figure 3: SSIF assets growth (2003-12 / 2015)



A) Investment returns:

The Fund achieved an increase in revenues over expenses until December 31, 2015 of JD 277.2 million, compared to JD 323.8 million during the same period of 2014, a decrease of JD 46.6 million, or -14.4%.

Figure 4: Percentage distribution of revenues and expenses during the period ended 31 December 2015



Financial performance in 2015

Table 3: Increase in income over expenses for the period ended December 31, 2015

Item	31/12/2015	Percentage
Interest on money market tools	29.5	10.63%
Bond portfolio revenues	174.1	62.82%
Loans interest	12.1	4.36%
Equity portfolio revenues	72.8	26.27%
Real estate portfolio revenues	(4.5)	-1.62%
Other revenues net	(3.5)	-1.27%
Administrative and investment expenses	(3.3)	-1.20%
Revenues increase over expenses	277.2	100.00%

1: Investment portfolios

The SSIF investment portfolios are composed, in accordance with the overall investment policy in force, as of December 31, 2015 of seven main portfolios:

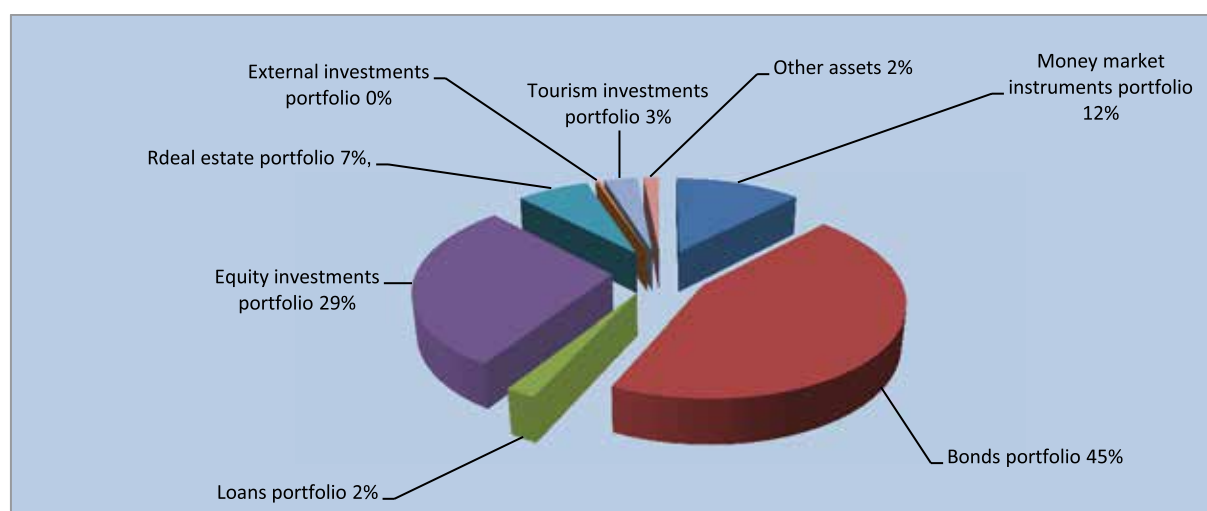
1. Money market instruments portfolio
2. Bonds portfolio
3. Loans portfolio
4. Equity investment portfolio
5. Real estate investment portfolio
6. Tourism investment portfolio
7. External investments portfolio

Financial performance in 2015

Table 4: Comparative distribution of SSIF investment portfolios as of December 31, 2015 (JD million)

Assets	31/12/2014 JD million	Relative weight	31/12/2015 JD million	Relative weight	Change	Growth rate
Money market instruments portfolio	689.2	10%	935.4	12%	246.1	36%
Bonds portfolio	2,995.7	44%	3,412.3	45%	416.6	14%
Loans portfolio	138.5	2%	160.8	2%	22.3	16%
Equity investments portfolio	2,141.5	31%	2,203.8	29%	62.3	3%
Real estate portfolio	416.1	6%	537.9	7%	121.8	29%
External investments portfolio	26.9	0%	27.9	0%	1.0	4%
Tourism investments portfolio	247.5	4%	247.5	3%	-	0%
Total SSIF portfolios	6,655.3	97%	7,525.4	98%	870.1	13%
Other assets	204.5	3%	117.5	2%	(87.1)	-43%
Total assets	6,859.8	100%	7,642.9	100%	783.1	11%

Figure 5: Distribution of SSIF investment portfolios for the period ended 31 December 2015



Financial performance in 2015

1. Money market instruments portfolio

The portfolio consists of money market instruments with a maturity date that does not exceed one year from the date of purchase.

Total assets of the money market instruments portfolio amounted to (balances, deposits with banks and treasury bills) about JD 935.4 million at the end of December 31, 2015. It accounted for 12% of total SSIF assets, compared with JD 689.2 million at the end of 2014, an increase of JD 246.1 million or 36%.

Table 5: Distribution of the money market instruments portfolio as of December 31, 2015

Assets	JD million	Percentage
Current accounts	0.8	0.1%
Time deposits	934.6	99.9%
Total	935.4	100%

2. Bonds portfolio

The portfolio consists of local fixed interest rate or floating interest rate bonds with a maturity date from the date of issuance or the date of purchase exceeding one year, issued by the Government of Jordan or its institutions or public or private joint stock companies.

Total assets of the bonds portfolio amounted to JD 3,412.3 million at the end of December 31, 2015, constituting 45% of total Investment Fund portfolios, compared to JD 2,995.7 million at the end of 2014, an increase of JD 416.6 million or 14%.

Table 6: Distribution of the bonds portfolio as of December 31, 2015

Item	JD million	Percentage
Treasury bonds	3,295.90	97%
Bonds of public institutions	60.4	2%
Corporate bonds	56	2%
Total	3,412.30	100%

Financial performance in 2015

3. Loans portfolio

The loans portfolio is invested in medium and long term loans.

Total assets of the loans portfolio stood at JD 160.8 million at the end of 2015, representing 2% of total Investment Fund portfolios, compared to JD 138.5 million at the end of December 31, 2014, an increase of JD 22.3 million, or 16%.

Table 7: Distribution of the loans portfolio as of December 31, 2015

Item	JD million	Percentage
Direct loans	104.3	65%
Syndicated loans	56.5	35%
Total	160.8	100.00%

4. Equity investment portfolio

The value of the equity portfolio at the end of December 31, 2015 was about JD 2,203.8 million or 29% of total Investment Fund portfolios, compared to JD 2,141.5 million at the end of 2014, an increase of JD 62.3 million or 3%.

Table 8: accounting classification of the equity portfolio as of December 31, 2015

Item	JD million	Percentage
Financial assets through comprehensive income	2,088.3	95%
Financial assets through profit and loss	115.5	5%
Total	2,203.8	100%

• Equity portfolio through comprehensive income(strategic equity)

Total value of the Fund's investments classified in the strategic portfolio, including its subsidiary and affiliate companies, amounted to JD 2,088.3 million as of December 31, 2015, representing 27.3% of the Fund's total assets, compared to JD 2,035.2 million at the end of 2014, an increase of JD 53.1 million, or 2.6%.

Financial performance in 2015

Table 9: Distribution of total equity portfolio in strategic equities at fair value through comprehensive income as of December 31, 2015

Item	JD million	Percentage
Shares traded in the Jordanian market	1,858.3	89%
Non-traded shares	18.5	1%
Private shares	211.6	10%
Total	2,088.3	100%

• Equity portfolio at fair value through profit or loss

The Fund has a trading portfolio on the ASE. The value of the portfolio at the end of December 31, 2015 was JD 115.5 million, representing 1.5% of the Fund's total assets, compared with JD 106.3 million at the end of 2014, an increase of JD 9.2 million, or 9%.

By managing the equity portfolio at fair value through profit and loss, the Fund seeks to maximize the return achieved by taking advantage of price fluctuations in the stock exchange.

1. Real estate investments portfolio

The real estate portfolio is invested in all types of real estate, including undeveloped land, property projects (housing, commercial complexes, ...) or real estate development to ensure diversification of the portfolio.

To achieve a better asset allocation and minimize risk, the Fund invests in various real estate assets in order to gain long term returns. The Fund's strategy is to acquire properties that earn a suitable income, and other properties for short and medium term trading, in order to make profit on the one hand and to acquire long term properties to achieve capital gains on the long term.

IAS 40 is applied to real estate investments. The value of the property is measured at fair value and determined as the average of five accredited real estate assessors after eliminating the highest and the lowest values.

Total assets of the real estate investment portfolio amounted to JD 537.9 million at the end of December 31, 2015, which constitutes 7% of total SSIF assets, compared to JD 416.1 million at the end of 2014, an increase of JD 121.8 or 29%.

2. Tourism investment portfolio

The tourism portfolio is invested in tourism establishments and companies of all forms, including hotels, rest houses, hotel apartments. This applies to companies that are wholly or partly owned by tourism companies, as well as companies which the Fund adds to its tourism portfolio.

Financial performance in 2015

The portfolio also includes tour agents, tourism transportation companies, and educational institutions and vocational centers that cater for tourism activities.

Total assets of the tourism portfolio amounted to JD 247.5 million at the end of December 31, 2015, representing 3% of the Fund's total assets, with no change in the balance of this portfolio from the end of 2014.

3. External investments portfolio

Total SSIF investments classified in the external investments portfolio was JD 27.9 million as of December 31, 2015, representing 0.4% of the total assets of the Fund compared with JD 26.9 million at the end of 2014, an increase of one million, or 4%.

Social Security Corporation - Social Security Investment Fund
Standalone financial statements
31 December 2015

social security corporation - social security investment fund
Statements of Financial Position
For the year ended 31 December 2015

(Thousands of Jordanian Dinars)

Assets	Notes	2015	2014
Assets			
Cash and bank balances	4	812	988
Deposits at banks and financial institutions	5	934,541	688,245
Financial assets at fair value through revenues and expenses	6	125,874	117,193
Loans and granted debts, net	7	160,775	138,425
Financial assets at fair value through other comprehensive income	8	1,386,361	1,404,943
Investments in subsidiary companies	9	236,756	203,582
Investments in associate companies	10	482,443	442,705
Financial assets at amortized cost	11	3,412,255	2,995,658
Due from related parties	25	14,567	91,500
Investments in real estate	12	536,451	414,631
Investments in joint operations	13	1,431	1,431
Investments in hotels	14	252,344	250,605
Property and equipment, net	15	2,810	115
Other assets	16	95,185	109,763
Total assets		7,642,875	6,859,811
<u>Social Security Corporation equity and liabilities</u>			
Social Security Corporation equity			
Social Security Corporation		4,216,891	3,779,890
Social Security Corporation - Unemployment Fund	18	184,951	135,625
Fair value reserve, net		535,760	518,603
Cumulative surplus of revenues over expenses		2,687,929	2,417,972
Total Social Security Corporation equity		7,625,531	6,852,090
Liabilities			
Other liabilities	17	16,740	6,775
Income tax provision	26	604	946
Total liabilities		17,344	7,721
Social Security Corporation total equity and liabilities		7,642,875	6,859,811

This attached note from 1 to 32 represent part of these Stand alone financial statments

social security corporation - social security investment fund
Statements of Revenues and Expenses
For the year ended 31 December 2015

(Thousands of Jordanian Dinars)

	Notes	2015	2014
Revenue			
Interest income	19	213,269	216,070
Gain of financial assets at fair value through revenues and expenses	20	232	8,935
Gain (loss) on investment properties, net	21	(4,006)	13,794
Dividends income	22	72,584	85,308
Recoverable from provision for doubtful loans	7	-	22
Provision for doubtful leases		(303)	(468)
Loss of settlement of interest on the delay of Sakan Karim loan and other losses		(1,359)	-
Expenses and other income, net		79	4,929
		280,496	328,590
Expenses			
General and administrative expenses	23	(2,855)	(4,471)
Surplus of revenues over expenses for the year before tax		277,641	324,119
Income tax expense	26	(477)	(306)
Surplus of revenues over expenses for the year		277,164	323,813

Statements of Comprehensive Income

	2015	2014
Surplus of revenues over expenses for the year	277,164	323,813
Add: other comprehensive income not to be reclassified to revenues and expenses in subsequent periods		
Change in fair value of financial assets at fair value through other comprehensive income	16,863	(5,570)
Total comprehensive income for the year	294,027	318,243

This attached note from 1 to 32 represent part of these Stand alone financial statments

social security corporation - social security investment fund
Statements of Change in Equity
For the year ended 31 December 2015

(Thousands of Jordanian Dinars)

	Notes	Social Security Corporation current account	Current account of the Social Security Corporation - Unemployment Fund	Fair value reserve, net	Surplus income over accrued expenses	Total
-2015						
Balance as at 1 January 2015		3,779,890	135,625	518,603	2,417,972	6,852,090
Profit for the year		-	-	-	277,164	277,164
Change in fair value of financial assets through other comprehensive income		-	-	16,863	-	16,863
Total comprehensive income for the year		-	-	16,863	277,164	249,027
Losses on sale of financial assets through other comprehensive income		-	-	294	(294)	-
Transfers during the year, net		437,001	42,413	-	-	479,414
Unemployment Fund's share of the Investment Fund's returns	18	-	6,913	-	(6,913)	-
Balance as at 31 December 2015		4,216,891	184,951	535,760	2,678,929	7,625,531
- 2014						
Balance as at 1 January 2014		3,388,967	94,167	572,629	2,044,595	6,100,358
Profit for the year		-	-	-	323,813	323,813
Change in fair value of financial assets through other comprehensive income		-	-	(5,570)	-	(5,570)
Total comprehensive income for the year		-	-	(5,570)	323,813	318,243
Gain on sale of financial assets through other comprehensive income		-	-	(48,456)	48,456	-
Net amounts transferred during the year		396,117	37,327	-	-	433,489
Unemployment Fund's share of the Investment Fund's returns	18	-	4,086	-	(4,086)	-
Prior years adjustments		(5,194)	-	-	5,194	-
Balance as at 31 December 2014		3,779,890	135,625	518,603	2,417,972	6,852,090

This attached note from 1 to 32 represent part of these Stand alone financial statments

social security corporation - social security investment fund
Statements of cash flows
For the year ended 31 December 2015

(Thousands of Jordanian Dinars)

	Notes	2015	2014
<u>Operating activities</u>			
Surplus of revenues over expenses for the year before tax		277,641	324,119
<u>Adjustments</u>			
Depreciation of property and equipment	15	77	45
Gains from revaluation of financial assets at fair value through revenues and expenses	20	(202)	(8,693)
Gains from sale of financial assets at fair value through revenues and expenses	20	(60)	(244)
Recovery of loans and granted debt impairment provision	7	-	(22)
Provision (recoverable from) for doubtful leases		303	468
Change in fair value of investment properties and losses of law-suits	21 & 12	5,282	(12,878)
Loss on sale of property and equipment		-	2
<u>Working capital changes</u>			
Deposits at Banks and financial institutions with maturity of more than 3 months		(95,854)	136,371
Financial assets at fair value through revenues and expenses		(8,419)	(1,451)
Other assets		14,578	(13,264)
Liabilities to related parties		25,873	(1,769)
Other liabilities		9,662	3,475
Net cash flows from operating activities before income tax		228,881	426,159
Income tax paid	26	(819)	(139)
Net cash flow from operating activities		228,062	426,020
<u>Investing activities</u>			
Loans and granted debts		28,737	9,723
Financial assets at fair value through other comprehensive income		(35,964)	(40,706)
Financial assets at amortized cost		(416,597)	(772,441)
Investments in associate companies		(1,773)	-
Investments in subsidiary companies		-	(23,919)
Real Estate Investments	12	(127,102)	(6,569)
Property and equipment	15	(2,772)	(82)
Investments in hotels		(1,739)	(2,866)
Proceeds from sale of property and equipment		-	2
Net cash flows used in investing activities		(557,210)	(836,858)
<u>Financing activities</u>			
Net cash transferred from the Social Security Corporation		479,414	433,489
Net cash flows used in financing activities		479,414	433,489
Net increase in cash and cash equivalents		150,266	22,651
Cash and cash equivalents on 1 January		428,217	405,566
Cash and cash equivalents at 31 December	24	578,483	428,217

This attached note from 1 to 32 represent part of these Stand alone financial statments

(Thousands of Jordanian Dinars)

1. General

The Social Security Corporation Investment Unit was established in accordance with the bylaw on the investment of Social Security Corporation funds (Investment Bylaw No. 111) for the year 2001, issued pursuant to Article (76) of Social Security Law No. 19 for the year 2001. The date 1 January 2003 was considered the date for commencing the Fund's activities because on that day the balances of investment accounts and their other related accounts were transferred from the records of the Social Security Corporation (SSC) to those of the Social Security Investment Fund pursuant to the decision of the SSC Board of Directors No. 1/2003 dated 2 January 2003.

Under the Social Security Temporary Law No. 7 for the year 2010, the name of the Investment Unit was amended during 2010 to become the Social Security Investment Fund. The registered address of the Fund is Zahran Street, PO Box 850633, Amman 11185, Hashemite Kingdom of Jordan.

The Fund's objective is to manage the investments of the SSC to ensure the growth of its financial resources. To achieve this objectives, the Fund undertakes the following tasks:

- Establish projects in cooperation with the public and private sectors and buy shares in economically feasible existing projects.
- Underwrite purchase and sell bonds, bills and other securities.
- Invest in cash deposits with the banking system with appropriate returns.
- Contribute in mutual funds.
- Contribute in financing economically feasible national projects by providing long-term loans and against appropriate guarantees.
- Purchase, sell and develop properties for the purposes of acquisition, participation, investment, or trading.
- Carry out any investment activities approved by the Investment Board and adopted by the SSC Board of Directors.
- Conduct economic feasibility studies for the projects in which it intends to invest, for which the SSIF has the right to seek the assistance of experts and specialists.
- Follow-up the performance of the institutions in which SSC contributes, and report on the performance of these companies with recommendations to the Investment Board.

The SSIF's financial statements for the year 2015 were approved by the Investment Board of Directors in its meeting held on 12 March 2017.

The SSIF prepared and issued consolidated financial statements for the year 2015 separately in accordance with International Financial Reporting Standards.

(Thousands of Jordanian Dinars)

2. Accounting policies

2.1. Basis of preparation of financial statements

The separate financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS).

The financial statements were prepared in accordance with the historical cost convention except for financial assets at fair value through revenue and expenses, financial assets at fair value through other comprehensive income, investment property, and investments in subsidiary and associate companies, which were measured at fair value at the date of the statement of financial position.

The financial statements are presented in Jordanian Dinars, which is the principal currency of the Fund. All amounts are rounded to the nearest thousand (JD '000') unless otherwise indicated.

2.2. Changes in accounting policies

The accounting policies used in preparing the separate financial statements are consistent with those followed in the preparation of the financial statements for the year ended 31 December 2014.

2.3. Main accounting policies

Financial assets at amortized cost

These are the financial assets that the Fund's management, in accordance with its business model, intends to hold to collect the contractual cash flows which consist of payments of principal and interest on the outstanding debt balance.

These assets are recognized at cost, plus acquisition costs. The allowance / discount is amortized using the effective interest rate method, debited or credited to the interest account, and any provisions resulting from impairment in value that results in the non-recovery of the asset or part thereof is deducted, and any impairment in value is recognized in revenue and expenses.

The amount of impairment in value of these financial assets represents the difference between the book value and the present value of the expected future cash flows discounted at the original effective interest rate.

Financial assets at fair value through revenues and expenses

These assets represent investments in shares for trading purposes, the purpose for which is generating profits from short-term market price fluctuations or trading profit margins.

These assets are recognized at fair value at the time of purchase (the acquisition costs upon purchase are entered in the revenue and expenses upon purchase) and they are later revalued at fair value. The resulting gain or loss, including changes in fair value arising from differences in the transfer of non-monetary assets in foreign currencies, and if all or part of these assets are sold, is recorded in the statement of revenue and expenses.

Dividends or interest earned are recorded in the income revenue and expenses statement.

Financial assets at fair value through other comprehensive income

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

(Thousands of Jordanian Dinars)

These assets are initially measured at fair value plus acquisition costs upon purchase. They are subsequently revalued at fair value. The change in fair value is recognized in the statement of comprehensive income and in the SSC equity statement, including changes in fair value arising from the differences in transfer of non-monetary items in foreign currencies; If all or part of these assets are sold, the resulting gain or loss is recorded in the comprehensive income statement and in the SSC equity statement. The balance of the valuation reserve of sold assets is transferred directly to retained earnings not through the profit and loss statement.

These assets are not subject to impairment testing.

Dividends are recognized in the revenues and expenses statement.

Investments in associate companies

Associate companies are those companies in which the Fund exercises significant influence on decisions related to financial and operating policies of the associate company without exercising control over them, and in which the Fund holds between 20% and 50% of the voting rights. Investments in associate companies are stated at fair value.

Investments in subsidiary companies

Subsidiary companies are those that are subject to the control of the Fund. Control is achieved when the Fund is exposed to the variable returns arising from an investment in subsidiary companies or has rights in such proceeds and it is able to influence such returns through its authority over these subsidiary companies. Investments in subsidiaries are stated at fair value.

Investments in hotels

Investment in hotels are stated at cost and the assets of these hotels are depreciated in the financial statements of each one of them, and reflected in the consolidated financial statements of the Fund.

Loans and granted debts

A provision for impairment of direct loans and granted debts is recognized when there is an objective event that has a negative impact on the estimated future cash flows of the facilities and that can be reliably estimated. The impairment charged to the revenues and expenses statement.

Interest and commission on non-performing and doubtful granted loans and debts are suspended.

Loans and the related provision for impairment are written off if the measures taken to collect them in accordance with the legislations in force are not effective through deduction from the booked provision. Any surplus in the total provision is transferred to the revenues and expenses statement. Any debts that are collected which had been previously written off, are credited to income.

Fair value

The Fund evaluates financial instruments such as financial assets at fair value through other comprehensive income and financial assets at fair value through the revenues and expenses statement at fair value on the date of the financial statements.

(Thousands of Jordanian Dinars)

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

Fair value measurement is based on the assumption that the sale of the asset or transfer of the liability is made in the principal market for the assets and liabilities.

In the absence of a principal market, the most advantageous market for assets or liabilities is used.

The Corporation measures the fair value of assets or liabilities using the assumptions that market participants would use when pricing assets or liabilities on the assumption that market participants act in their economic best interest.

The measurement of a fair value of non-financial assets takes into account the ability of market participants to generate economic benefits through the use of assets at their best use or its sale to another market participant who would use the asset at its best use.

The Fund uses appropriate valuation techniques that suit the circumstances and provide adequate data to measure fair value, maximize the use of directly observable inputs, and minimize the use of inputs that can be observed indirectly.

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

All assets and liabilities for which fair value is measured, disclosed in the financial statements or written off using the following levels of fair value, [are valued] based on the lowest level of inputs that have a significant impact on the measurement of fair value as a whole:

Level 1: Quoted market prices quoted in active markets for similar assets and liabilities.

Level 2: Other techniques where inputs [are used that] have a significant impact on fair value and can be observed directly or indirectly.

Level 3: Other techniques where inputs are used that have an important impact on fair value but are not based on observable market information

Property and equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment in value. Property and equipment (excluding land) are depreciated using the straight-line method over their estimated useful life using the following annual rates:

	%
Buildings	2
Equipment and furniture	10-15
Means of transportation	15
Computers	25
Computer programs/ software	25

(Thousands of Jordanian Dinars)

Where the recoverable value of property or equipment is less than its net carrying amount, assets are written down and the impairment is recognized in the revenues and expenses statement.

The useful life of property and equipment is reviewed at the end of each year. If the life expectancy is different from estimates made previously, the change is accounted for in future periods as a change in estimates.

Investments in real estate

Investments in real estate are stated at cost on the purchase date, including acquisition costs. They are subsequently measured at fair value, which primarily reflects market conditions and prices on the date of the financial statement.

Gains or losses arising from changes in the fair value of investments in real estate are recognized in the revenues and expenses statement.

Investments in real estate are valued on the basis of assumptions based on market conditions and prices. The market value is calculated as the average of five valuations by licensed five real estate experts after excluding the highest and lowest valuations.

Revenues and expenses recognition

Income and expense are recognized on an accrual basis except for interest and commissions on non-performing loans that are not recognized as revenue and are recorded in the suspended interest and commissions account.

Dividend income is recognized on the date it is realized (approved by the General Assembly).

Date of recognition of financial assets

The purchase and sale of financial assets are recognized on the trade date (the date on which the Fund commits to the sale or purchase of financial assets).

Repurchase or resale contracts

The financial statements continue to recognize assets sold with a corresponding commitment to repurchase them at a future date, because the Fund continues to control these assets and because any related risks or rewards, if they arise, accrue to the Fund. They continue to be evaluated in accordance with the applicable accounting policies and the amounts corresponding to the amounts received with respect to these contracts are included as liabilities in the borrowed funds. The difference between the sale price and the repurchase price is recognized as interest expense that is amortized over the period of the contract using the effective interest method.

Assets purchased with a corresponding commitment to resell at a specific future date are not recognized in the financial statements because there is no control over these assets and any risks or benefits do not accrue to the Fund upon occurrence. Payments with respect to these contracts are recorded in deposits at banks and other financial institutions or loans and granted debts.

(Thousands of Jordanian Dinars)

The difference between the purchase price and the resale price is treated as interest revenue amortized over the period of the contract using the effective interest rate method.

Foreign currency

Transactions denominated in foreign currencies during the financial year are recorded at the rates of exchange prevailing at the dates of the transactions.

Balances of financial assets and financial liabilities are translated at the average foreign currency exchange rates prevailing on the date of the financial position statement published by the Central Bank of Jordan.

Gains and losses resulting from the translation of foreign currencies are charged to the statement of revenues and expenses.

Differences in the translation of non-monetary assets and liabilities denominated in foreign currencies (such as financial assets at fair value through the revenues and expenses statement) are recorded as part of the change in fair value.

Cash and cash equivalents

Cash and cash equivalents that are due within three months and include: cash and balances with the Central Bank and balances with banks and financial institutions.

Joint operations

Joint operations are contractual agreements 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.

In accordance with the joint operating agreements, the Fund recognizes assets, liabilities, revenues and expenses related to jointly controlled according to the percentage of ownership.

Offsetting

Financial assets and the financial liabilities are offset and the net amount is reported in the statement of financial position only when the legally binding rights are available, also when they are settled on a clearing basis or the asset is verified and the liability settled simultaneously.

3. Use of estimates

The preparation of the financial statements and the application of accounting policies require the Fund's management to make estimates and assumptions that affect the amounts of assets and liabilities and to disclose potential liabilities. These estimates and assumptions also affect revenues and expenses in particular, which requires the Fund's management to make significant judgments to estimate the amounts and timing of future cash flows arising from the conditions of those estimates in the future. These estimates are necessarily based on multiple hypotheses and factors with varying degrees of estimation and uncertainty, and actual results may differ from estimates as a result of future changes in the state and conditions of those provisions.

social security corporation - social security investment fund
Notes to the Stand alone financial Statements
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(Thousands of Jordanian Dinars)

4. Cash and bank balances

The details of this item are as follows:

	2015	2014
Cash and balances at the Central Bank of Jordan	-	4
*Current and demand deposits	812	984
	812	988

- Current accounts include JD 5,000 at Jordan International Bank as at 31 December 2015 and there were no balances in 2014.
- There are no restricted balances as at 31 December 2015 and 2014.

5. Deposits at banks and financial institutions

The details of this item are as follows:

	2015	2014
Deposits maturing within a period of 3 months or less	577,671	427,229
Deposits maturing within a period of 3 to 6 months	345,170	249,101
Deposits maturing within a period of 6 -12 months	11,700	11,915
	934,541	688,245

- Annual interest rates on deposits in Jordanian Dinars range from 1.35% to 5.75% for the year ended 31 December 2015 and from 4% to 7.35% for the year ended 31 December 2014.
- Average interest rate on deposits in Pounds Sterling is 0.5%
- There are no deposits with foreign banks and financial institutions and there are no restricted balances as at 31 December 2015 and 2014.
- Deposits include JD 111 million representing deposits against government bonds in favor of the Fund linked to Société Générale Bank Jordan.

6. Financial assets at fair value through the revenues and expenses statement

The details of this item are as follows:

	2015	2014
Shares of companies listed in financial markets		
Local	115,490	106,329
Foreign	10,384	10,864
	125,874	117,193

(Thousands of Jordanian Dinars)

7. Loans and granted debts, net

The details of this item are as follows:

	2015	2014
Direct loans	104,294	99,554
Bank loans	57,232	39,645
Housing loans	57	61
	161,583	139,260
Provision for impairment on loans and granted debts	(808)	(808)
	160,775	138,452

The detailed movement on the provision for impairment of loans and receivables granted is as follows:

	2015	2014
Balance at the beginning of the year	808	830
Recovered during the year	-	(22)
Balance at the end of the year	808	808

The table below shows interest rates, maturity dates, and guarantees for each of the above loans:

	Balance	Interest rate %	Due date of last instalment	Guarantees
Direct loans	104,294	5.40-7.75	Dec. 2040 31	Government, Real Estate, Corporate
Bank loans	57,232	2.08-10.75	Oct 2025 18	Government, Mortgage of shares, Corporate
Housing loans	57			Mortgage
	161,583			

Non-performing loans and debts granted amounted to JD 750,000 representing 0.46% of the balance of loans and receivables granted as at 31 December 2015, compared to JD 750,000 or 0.53% of the balance of loans and receivables granted as at 31 December 2014. A provision was made against them in full.

social security corporation - social security investment fund
Notes to the Stand alone financial Statements
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(Thousands of Jordanian Dinars)

8. Financial assets at fair value through other comprehensive income

The details of this item are as follows:

	2015	2014
Shares of companies listed in local financial markets	1,293,770	1,323,360
Shares of companies not listed in financial markets *	75,380	65,553
Other financial assets:		
Investment in mutual funds (US \$)*	17,481	16,030
	1,386,631	1,404,943

* The fair value of unlisted shares and mutual funds was determined in a variety of ways to suit the nature of the company. The book value of the shares, discounted cash flows and net assets were used.

Financial assets at fair value through other comprehensive income by sector:

This item consists of the following:

	Rate (%)	2015	Rate (%)	2014
Banking sector	84	1,087,114	66.6	1,059,762
Industrial sector	13.3	170,862	27.1	175,929
Services sector	2.5	33,020	6.1	84,943
Insurance sector	0.2	2,774	0.2	2,726
		1,293,770		1,323,360

social security corporation - social security investment fund
Notes to the Stand alone financial Statements
For the year ended 31 December 2015

(Thousands of Jordanian Dinars)

9. Investments in subsidiary companies

The details of this item are as follows:

Company name	No. of shares	No. of shares held by the Fund	Ratio %	Activity	2015	2014
Traded in Amman Stock Exchange						
Jordanian Duty Free Shops	7,500,000	4,237,002	56.5	Duty free shops	79,656	69,656
Jordan Press Foundation (Al Rai)	10,000,000	5,492,000	55	Press and publication	4,778	11,108
Al-Daman For Investment	10,000,000	6,140,000	61.4	Investment	6,140	6,324
					90,574	87,088
Not traded:						
National Co for Tourism Development	2,050,000	2,050,000	100	Tourism services	35,263	29,104
Rama Investments	3,310,000	3,310,000	100	Investment	2,855	2,559
Markaz Al Intilaq Al Muwahhad Co	4,654,339	4,654,339	100	Rental services	3,805	4,244
Daman Energy Investment Company (DEIC)	20,000,000	50,000	100	Energy investment	66,356	72,562
Al Daman for Development Zones Company	40,000,000	40,000,000	100	Investment	34,507	8,025
Al Daman for International Business Co.	100,000	100,000	100	Investment	3,396	-
					146,182	116,494
					236,756	203,582

Investments in traded and non-traded subsidiaries are carried at fair value at the reporting date

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10. Investments in associate companies

The details of this item are as follows:

Company name	No. of shares	No. of shares held by the Fund	Ratio %	Activity	2015	2014
Traded in Amman Stock Exchange						
Jordan Cement Factories Co	60,444,460	13,197,226	21.8	Construction	17,024	22,435
Jordan Petroleum Refinery Company	62,500,000	15,105,468	20.1	Petrochemical industry	64,198	56,016
Jordan Kuwait Bank	100,000,000	21,041,644	21	Banking and financial services	86,271	90,269
The Jordan Worsted Mills Co	15,000,000	3,000,000	20	Textiles	12,420	12,000
Jordan Telecom Group Or- ***ange	250,000,000	72,200,000	28.9	Telecommunication	253,422	253,422
*** Jordanian Electric Power Co	75,523,133	15,331,196	20.3	Energy	40,628	-
					473,963	434,142
Not traded						
* Salam Investment	1,400,000	700,000	50	Investment	-	-
* Arab Engineering Industries Co	1,816,990	376,363	20.7	Construction and engineering	-	-
* Jordan Magnesia Company	10,000,000	2,333,333	23.3	Mining industries	-	-
**Munia for Specialized products	20,000,000	5,200,000	26	Investment	-	-
South of The Dead Sea Development For Specialist Resorts	17,000,000	5,100,000	30	Investment	8,480	8,563
					8,480	8,563
					482,443	442,705

*The value of these investments is recorded at one Dinar

**The Board of Directors of the Company decided, in its meeting on 29 March 2016 to liquidate the company

*** Jordan Electricity Company became an associate company in November 2015 as a result of the increase of the Fund's investment in the Company from 19.5% to 20.2%. Investments in associated traded and non-traded companies are stated at fair value at the reporting date.

**** Jordan Telecom's capital was reduced by 25% in April 2016

(Thousands of Jordanian Dinars)

11. Financial assets at amortized cost

The details of this item are as follows:

	Annual interest rates %	2015	2014
a. Government and public institution bonds			
*Treasury bonds	2.75-8.60	3,295,874	2,918,416
Loans to public institutions	5.58-7.70	60,431	63,742
		3,356,305	2,982,158
b. Bonds and other securities			
Loans and bonds to private sector companies	2.9-9.8	56,517	14,067
Provision for impairment of doubtful debts		(567)	(567)
		55,950	13,500
		3,412,255	2,995,658

* This item includes an amount of JD 181,760 thousand [sic.] as at 31 December 2015 which represents treasury bonds for the Unemployment Fund (31 December 2014: JD 127,324 thousand).

12. Real estate investments

The details of this item are as follows:

	2015	2014
Investment lands	526,293	404,867
Investment buildings	10,158	9,764
	536,451	414,631

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The movement of real estate investments during the year is as follows

	2015	2014
Balance at the beginning of the year	414,631	395,046
Purchase of real estate investments	127,102	6,569
Transfer from projects under implementation	-	138
* Land losses / lawsuits	(2,638)	-
Gain (loss) on investment property valuation at fair value (note 21)	(2,644)	12,878
Balance at the end of the year	536,451	414,631

* Represents 50% of the fair value of a plot of land that was wholly owned by the Fund. In 2015, a partner emerged as co-owner of said land, and the reason for this change in ownership was investigated. It transpired that there was a lawsuit that predated the Corporation's [sic.] acquisition of the land.

13. Investments in joint operations

This item represents investments in joint land development ventures with the Housing and Urban Development Corporation (HUDC). The HUDC sold part of the land, but title to the majority of it was not transferred to the buyers, and the amounts received were recognized as deferred income. The Fund recognizes net related income in the revenues and expenses statement on transfer of title. Investments in joint operations are stated at cost as at 31 December 2015. Details of these transactions are as follows:

	2015	2014
Al Zaytouneh Project 2	997	997
* Faw'arah land Project	434	434
	1,431	1,431

* This project was transformed into a real estate investment project in 2016

(Thousands of Jordanian Dinars)

14. Investments in hotels

Details of this item are as follows:

	2015	2014
Crowne Plaza Hotel Amman	31,258	30,772
Crowne Plaza Hotel Petra Resort	14,265	14,020
Intercontinental Aqaba Resort	55,769	55,657
Amman Cham Palace Hotel	9,618	9,397
Crowne Plaza Spa – Dead Sea	96,279	95,652
Holiday Inn Resort Dead Sea	45,155	45,107
	252,344	250,605

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

15. Net Property And Equipment

	Land	Buildings	Equipment and furniture	Means of transportation	Computer hardware	Computer software	Total
2015-							
Cost							
Balance at the beginning of the year	-	-	91	147	303	400	941
Additions	958	1,732	63	-	14	5	2,772
Exclusions	-	-	(1)	-	(16)	-	(17)
Balance at the end of the year	958	1,732	153	147	301	405	3,696
Accumulated depreciation							
Balance at the beginning of the year	-	-	71	130	234	391	826
Depreciation for the year	-	27	9	9	25	7	77
Exclusions	-	-	-	-	(17)	-	(17)
Balance at the end of the year	-	27	80	139	242	398	886
Net book value as at 31 December 2015	958	1,705	73	8	59	7	2,810

The balance of completely depreciated property and equipment amounted to JD 638 thousand as at 31 December 2015.

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	Equipment and furniture	Means of transportation	Computer hardware	Computer software	Total
2014-					
Cost					
Balance at the beginning of the year	86	142	265	400	893
Additions	14	5	63	-	82
Exclusions	(9)	-	(25)	-	(34)
Balance at the end of the year	91	147	303	400	941
Accumulated depreciation					
Balance at the beginning of the year	66	119	234	378	797
Depreciation for the year	6	11	15	13	45
Exclusions	(1)	-	(15)	-	(16)
Balance at the end of the year	71	130	234	391	826
Net book value as at 31 December 2014	20	17	69	9	115

The balance of completely depreciated property and equipment amounted to JD 599 thousand as at 31 December 2014

16. Other assets

The details of this item are as follows:

	2015	2014
* Interest receivable	52,414	71,706
** Projects in progress	36,534	31,883
Housing Fund Safe deposits	3,451	3,669
Advance payments for land purchase	794	653
Other	1,983	1,852
	95,185	109,763

* This item includes JD 2,043 thousand as at 31 December 2015, which represents interest accrued for the Unemployment Fund (31 December 2014: JD 1,701 thousand).

** This item includes JD 32,067 thousand that represents the value of the tourist beach project, which is expected to be completed during 2016 and at a total expected cost of JD 56 million (31 December 2014: JD 31,339 thousand).

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17. Other liabilities

The details of this item are as follows:

	2015	2014
Deferred income	1,007	1,108
Brokers' receivables	9,301	3,145
* Sales tax provision	1,303	1,299
**Reserves for purchase of land	4,000	-
Other	1,129	1,223
	16,740	6,775

* A provision was made for the sales tax imposed previously on the investment sites in order to address the lawsuit filed concerning these sites.

**Reserves for the purchase of land were paid in 2016

18. Social Security Corporation current account - Unemployment Fund

Based on the SSC Board of Directors' decision No. 14/2013 dated February 4, 2013, investments related to the Unemployment Fund were separated into a safe portfolio independent from other insurance funds. Accordingly, the funds of the Unemployment Fund were transferred from the SSC accounts to a separate account within the SSIF's accounts during 2013. The Fund invested these funds in Jordanian treasury bonds based on the Investment Board decision dated June 26, 2013.

Below are the movements of the account during 2015 and 2014:

	2015	2014
Balance at the beginning of the year	135,625	94,167
Cash transferred during the year by the SSC to the Unemployment Fund account	42,413	37,372
Transfers to the Unemployment Fund from the Investment Fund's returns for the year	6,913	4,086
Balance at the end of the year	184,951	135,625

(Thousands of Jordanian Dinars)

19. Interest payable

The details of this item are as follows:

	2015	2014
Interest on balances and deposits with banks and * financial institutions	29,438	37,409
Interest on bonds and loan	174,101	171,228
Interest on loans and debts granted	9,730	7,433
	213,269	216,070

* These items include JD 6,946 thousand as at 31 December 2015, which represents interest payable to the Unemployment Fund (31 December 2014: JD 4,086 thousand).

20. Profit on financial assets at fair value through net revenues and expenses statement

The details of this item are as follows:

	2015	2014
Realized profits	60	244
Unrealized valuation gains	202	8,693
Purchase and sale commission for financial assets at fair value through revenues and expenses	(30)	(2)
	232	8,935

21. Net (loss) gain on real estate investments

The details of this item are as follows:

	2015	2014
Revenue:		
Property rental income	1,495	1,154
Operating income of investment properties	18	37
Losses of investment property / clarification lawsuits (12)	(2,638)	-
Expenses:		
Management fees, valuation, and other fees and expenses	(237)	(275)
Change in fair value:		
Change in fair value of real estate investments (Note 12)	(2,644)	12,878
	(4,006)	13,794

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22. Dividends

The details of this item are as follows:

	2015	2014
Dividends from subsidiary companies	11,256	8,733
Dividends from associate companies	19,794	22,044
Dividends through other comprehensive income	36,014	48,992
Dividends through the income statement	5,520	5,593
	72,584	85,308

23. Administrative and general expenses

The details of this item are as follows:

	2015	2014
Other salaries and benefits	1,612	1,563
Contribution to social security	191	180
Contribution to the Savings Fund	10	10
Remunerations of the Investment Board members	40	52
Incentives and bonuses	265	260
Travel	37	37
Cleaning	26	21
Bank expenses	4	12
Training and courses	20	19
Health insurance	-	108
Per diems and external travel	3	1
Professional, legal and technical consultancy fees	248	1,861
Mail, communications and internet	18	16
Electricity, water and heating	84	92
Depreciation, note (15)	77	45
Remuneration of Board committees	40	34
Subscriptions	45	40
Other insurance fees	13	10
Advertising and public relations	20	21
Software maintenance and support	26	20
Stationery	20	22
General maintenance	10	19
Other	46	28
	2,855	4,471

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24. Cash and cash equivalents

The details of this item are as follows:

	2015	2014
Cash and balances with the Central Bank due within three months	-	4
Current and on-demand accounts	812	984
Deposits due within three months or less	577,671	427,229
	578,483	428,217

25. Transactions with related parties

The Fund conducted transactions with the SSC and its subsidiary and associate companies in course of the Fund's ordinary activities and using commercial interest and commission rates. All loans and debts granted to related parties are considered operational and no provision was made for them.

Movement of transactions with related parties during the year are as follows:

	2015			2014
<u>Items in the statement of financial position</u>	Subsidiary companies	Associate companies	Total	Total
Assets and liabilities:-				
Balances and deposits with banks				
Jordan Kuwait Bank	-	40,600	40,600	9
Investments in shares	-	478,443	478,443	464,278
Due from related parties -				
National Company for Tourism Development *	10,155	-	10,155	10,015
Al Daman for Energy Investment	2,209	-	2,209	-
Al Daman for international business Co.**	2,202	-	2,202	51,060
Al Mafrag Development Company	1	-	1	1
Al Daman for Development Zones Company	-	-	-	30,424
	14,567	-	14,567	91,500
Loans				
Intelaq Center Co. ***	-	-	-	350
Al Daman for international business Co.**	51,060	-	51,060	-

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	2015				2014
Elements of the income and expenditure list	Subsidiary companies	Associate companies	Other	Total	Total
Interest					
Current account with the Jordan Kuwait Bank	-	36	-	36	35
Deposits at the Jordan Kuwait Bank	-	1,298	-	1,298	2,683
Loan to Intelaq Center Co.	-	-	-	-	39
Cash dividends received					
AL Daman Investment	-	-	-	-	246
Jordanian Duty Free Shops Co	6,356	-	-	6,356	4,237
National Company for Tourism development	-	-	-	-	-
Al Daman Energy	4,900	-	-	4,900	4,250
Jordan Petroleum Refinery Co.	-	2,266	-	2,266	2,014
The Jordan Worsted Mills	-	750	-	750	660
Jordan Telecom Group Orange	-	12,130	-	12,130	15,162
Jordan Kuwait Bank	-	4,208	-	4,208	4,208
Salaries and remunerations of the senior management	-	-	552	552	632
Remuneration of the Investment Board	-	-	102	102	86

* This item includes The cost of buying the Al Muthallathiyah land in Aqaba at a value of JD 9.9 million. The amount was paid by the SSIF and title was registered in the name of the National Company for Tourism Development.

** The Fund transferred the amounts due from Al Daman for international business Co. to a loan at a fixed annual interest rate of 5%

*** The full amount of the loan and its entitlements were paid on 6 January 2015

26. Income tax

Below is the movement of the income tax provision for the year ended 31 December 2015 and 2014:

	2015	2014
Balance at the beginning of the year	946	779
Provision for the year	477	306
Paid income tax	(819)	(139)
Balance at the end of the year	604	946

Income tax was calculated for the year ended 31 December 2016 in accordance with Income Tax Law No. 34 of 2014, and income tax for the year ended 31 December 2014 was calculated in accordance with Temporary Income Tax Law 28 for the year 2009 and its subsequent amendments. In the opinion of the

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Administration, the provision of JD 477 thousand is sufficient and no additional funds are required. Most of the activities of the SSIF are exempt from income tax under the Income Tax Law.

The self-assessment tax return was filed showing the results of the Fund's work in 2015, and the Income Tax Department has not reviewed the Company's records to date.

The Fund received a final clearance from the Income Tax Department until the end of 2014.

27. Fair value of financial instruments

Financial instruments consist of financial assets and financial liabilities.

Financial assets consist of cash, bank balances, deposits at banks and financial institutions, financial assets at fair value through the revenues and expenses statement; loans and granted debts, financial assets at fair value through the other comprehensive income; investments in associate and subsidiary companies; financial assets at amortized cost; due from related parties; investments in real estate; investments in joint operations; and investments in hotels and other assets. Financial liabilities consist of due to banks, loans, due to related parties and other liabilities.

The fair values of financial instruments are not materially different from the carrying values of these instruments.

Risk management

The SSIF manages financial risks through a structured methodology and a comprehensive strategy that identify their sources, types, mechanisms of measuring and analyzing them, and plans to mitigate and manage them either by reducing the likelihood of their occurring or by avoiding them through available hedging instruments.

Risk management is a continuous process in which the Fund monitors risks and addresses variances that exceed the allowable limits.

In the context of risk management, the Fund ensures full compliance with the laws and regulations that govern its work, and it reflects them in policies and procedures.

Risk management is carried out by a department specialized in the management and measurement of compliance, in addition to the presence of supporting committees such as the Internal Committee for Investment, and the Assets and Liabilities Committee.

Credit risks

Risks that may arise from the inability of the parties involved to fulfill their obligations.

The Fund performs the required financial and credit analysis needed when acquiring any bonds for public or private shareholding companies or when granting loans. The Fund also sets deposit ceilings for local banks based on a specific methodology and the bank's credit rating. SSIF also sets ceilings for the volume of transactions with financial intermediaries based on a specific methodology.

Operating risks

The risks that may arise during the execution of transaction and may be caused by internal factors related to staff, support processes or IT systems.

The fund issues instructions and procedures to ensure proper execution of transactions, provides the best computerized information systems, and specialized technical personnel to draw plans to

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ensure business continuity under any emergency circumstances.

Market risks

Market risks arise from fluctuations in the value of investment instruments, most notably fluctuations in stock prices and real estate investments. The Fund measures these risks through standard statistical measures (standard deviation, variance and covariance, coherence, beta, value at risk) and determines acceptable risk levels based on the prevailing strategic investment policy.

To mitigate the impact of these risks, particularly in the absence of the necessary hedging instruments, SSIF increases diversification in its portfolio and reduces the grade of correlation between portfolio instruments through sound sectoral distribution and geographic distribution, by turning to investments and markets that are less correlated.

Interest rate risks

The risks arise from changes in the basic structure of interest rates, which in turn affect the value of investment instruments related to interest rates, the returns of these instruments, and the reinvestment of returns on these instruments.

To mitigate these risks, the Fund increases or decreases the recovery period of investment instruments that are directly affected by interest rates such as deposits and bonds in accordance with the Fund's expectations for interest rate movements.

The Fund also analyzes the gaps in the investment instruments maturities and correlates them with the investment maturities and other liabilities through the Assets and Liabilities Committee. This is done by allocating the cash market management portfolio and the bonds portfolio to match their maturities with the liabilities of the SSIF and other liabilities.

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

The following table illustrates the sensitivity of the revenues and expenses to reasonably expected changes in interest rates as at 31 December, with all other variables held constant.

Currency	Increase in interest rate %	Impact on surplus of revenue over expenses for the year
2015-		
Jordan Dinars	1	44,553
US Dollars	1	549
Currency		
2014-		
Jordan Dinars	1	36,553
US Dollars	1	1,671

In case of a negative change in interest rates, the effect is equal to the above change with the reversal of the sign.

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The sensitivity of interest rates is as follows:

2015-	Until 1 month	months 1-3	months 3-6	months 6 to 1 year	years 1 - 3	More than 3 years	Elements without interest	Total
Assets								
Cash and balances with banks	812	-	-	-	-	-	-	812
Deposits with banks and financial institutions	305,518	272,153	345,170	11,700	-	-	-	934,541
Financial assets at fair value through revenues and expenses	-	-	-	-	-	-	125,874	125,874
Net loans granted	5,663	267	4,964	10,730	43,186	95,965	-	160,775
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	1,386,631	1,386,631
Investments in subsidiary companies	-	-	-	-	-	-	236,756	236,756
Investments in associate companies	-	-	-	-	-	-	482,443	482,443
Financial assets at amortized cost	19,266	319,609	130,450	419,419	742,929	1,780,582	-	3,412,255
Amounts due from related parties	-	-	-	-	-	-	14,567	14,567
Real estate investments	-	-	-	-	-	-	536,451	536,451
Investments in joint operations	-	-	-	-	-	-	1,431	1,431
Investments in hotels	-	-	-	-	-	-	252,344	252,344
Net property and equipment	-	-	-	-	-	-	2,810	2,810
<u>Other assets</u>	-	-	-	-	-	-	<u>95,185</u>	<u>95,185</u>
Total assets	<u>331,259</u>	<u>592,029</u>	<u>480,584</u>	<u>441,849</u>	<u>786,115</u>	<u>1,876,547</u>	<u>3,134,492</u>	<u>7,642,875</u>
Equity of the SSC and liabilities								
Equity of the SSC								
Current account of SSC	-	-	-	-	-	-	4,216,891	4,216,891
Current account of SSC – Unemployment Fund	-	-	-	-	-	-	184,951	184,951
Fair value reserve	-	-	-	-	-	-	535,760	535,760
Profit (accumulated surplus of revenues over expenses)	-	-	-	-	-	-	2,687,929	2,687,929
Total equity of the SSC	-	-	-	-	-	-	7,635,531	7,635,531
-Liabilities								
Other liabilities	-	-	-	-	-	-	16,740	16,740
Income tax provision	-	-	-	-	-	-	604	604
Total liabilities	-	-	-	-	-	-	<u>17,344</u>	<u>17,344</u>
Total equity of the SSC and liabilities	-	-	-	-	-	-	<u>7,642,875</u>	<u>7,642,875</u>
Sensitivity difference	<u>331,259</u>	<u>592,029</u>	<u>480,584</u>	<u>441,849</u>	<u>786,115</u>	<u>1,876,547</u>	<u>(4,508,383)</u>	-
Cumulative sensitivity difference	<u>331,259</u>	<u>923,288</u>	<u>1,403,872</u>	<u>1,845,721</u>	<u>2,631,836</u>	<u>4,508,383</u>	=	=

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The sensitivity of interest rates is as follows:

2014-	Until 1 month	1-3 months	3-6 months	6 months to 1 year	1 - 3 years	More than 3 years	Elements without interest	Total
Assets								
Cash and balances with banks	988	-	-	-	-	-	-	988
Deposits with banks and financial institutions	338,541	88,688	249,101	11,915	-	-	-	688,245
Financial assets at fair value through revenues and expenses	-	-	-	-	-	-	117,193	117,193
Net loans granted	48,949	267	2,677	7,347	40,065	39,147	-	138,452
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	1,404,943	1,404,943
Investments in subsidiary companies	-	-	-	-	-	-	203,582	203,582
Investments in associate companies	-	-	-	-	-	-	442,705	442,705
Financial assets at amortized cost	57,391	69,641	35,616	428,698	1,340,582	1,063,730	-	2,995,658
Amounts due from related parties	-	-	-	-	-	-	91,500	91,500
Real estate investments	-	-	-	-	-	-	414,631	414,631
Investments in joint operations	-	-	-	-	-	-	1,431	1,431
Investments in hotels	-	-	-	-	-	-	250,605	250,605
Net property and equipment	-	-	-	-	-	-	115	115
<u>Other assets</u>	-	-	-	-	-	-	109,763	109,763
Total assets	445,869	158,596	287,394	447,960	1,380,647	1,102,877	3,036,468	6,859,811
Equity of the SSC and liabilities								
Equity of the SSC								
Current account of SSC	-	-	-	-	-	-	3,779,890	3,779,890
Current account of SSC – Unemployment Fund	-	-	-	-	-	-	135,625	135,625
Fair value reserve	-	-	-	-	-	-	518,603	518,603
Profit (accumulated surplus of revenues over expenses)	-	-	-	-	-	-	2,417,972	2,417,972
Total equity of the SSC	-	-	-	-	-	-	6,852,090	6,852,090
Liabilities-								
Other liabilities	-	-	-	-	-	-	6,775	6,775
Income tax provision	-	-	-	-	-	-	946	946
Total liabilities	-	-	-	-	-	-	7,721	7,721
Total equity of the SSC and liabilities	-	-	-	-	-	-	6,859,811	6,859,811
Sensitivity difference	<u>445,869</u>	<u>158,596</u>	<u>287,394</u>	<u>447,960</u>	<u>1,380,647</u>	<u>1,102,877</u>	<u>(3,823,343)</u>	<u>-</u>
Cumulative sensitivity difference	<u>445,869</u>	<u>604,465</u>	<u>891,859</u>	<u>1,339,819</u>	<u>2,720,466</u>	<u>3,822,343</u>	<u>-</u>	<u>-</u>

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Share price risk

Share price risk arises from changes in fair value of investment in shares. SSIF manages these risks by diversifying share investments in several economic sectors and geographic areas. Share investments in the financial statements are listed mainly in the Amman Stock Exchange.

The following table shows the sensitivity of the revenues and expenses statement (financial assets at fair value through statement of revenues and expenses) and fair value reserve (financial assets at fair value through other comprehensive income) as a result of reasonably expected changes in share prices, holding all other variables constant.

	Change in indicator %	Effect on surplus of revenue over expenses for the year	Effect on equity of SSC
2015 -			
Indicator			
Amman Stock Exchange	5	5,775	70,463
Palestine Stock Exchange	5	519	519
		6,294	70,982
2014 -			
Indicator			
Amman Stock Exchange	5	5,316	71,484
Palestine Stock Exchange	5	543	543
		5,859	72,027

In case of a negative change in the indicator, the effect is equal to the change above, with the reversal of the signal.

Foreign currency risks

Foreign currency risk is the risk of change in the value of a financial instrument as a result of fluctuations in foreign exchange rates. The Jordanian Dinar is the base currency for the Social Security Investment Fund, and the US Dollar is the base currency for foreign investment; as a result of the stabilization of the US Dollar exchange rate against the Dinar, the Fund is not exposed to significant risks related to fluctuations in foreign currency exchange rates. In addition, the Fund has no foreign currency liabilities to hedge against the risks related thereto.

social security corporation - social security investment fund
Notes to the Stand alone financial Statements
For the year ended 31 December 2015

(Thousands of Jordanian Dinars)

Liquidity risks

Liquidity risk is the risk that the Fund may not be able to provide the necessary cash to cover its obligations on their due date. As there are no commitments to the Fund in the short and medium term, the Fund manages liquidity to provide financing for its investment operations by balancing the maturities of investment instruments and investment obligations.

The contractual maturity dates of the assets are determined on the basis of the remaining period before the contractual maturity date, without taking into account the actual maturities reflected by the historical facts for the retention of deposits and the provision of liquidity.

The table below summarizes the maturity profile of assets and liabilities:

2015 -	Until 1 month	1-3 months	3-6 months	6 months to 1 year	1 - 3 years	More than 3 years	Without maturity	Total
Assets								
Cash and bank balances	812	-	-	-	-	-	-	812
Deposits at banks and financial institutions	305,518	272,153	345,170	11,700	-	-	-	934,541
Financial assets at fair value through revenue and expenses	-	-	-	-	-	-	125,874	125,874
Loans and granted debts, net	5,663	267	4,964	10,730	43,186	95,965	-	160,775
Financial assets at fair value through comprehensive income	-	-	-	-	-	-	1,386,631	1,386,631
Investments in subsidiary companies	-	-	-	-	-	-	236,756	236,756
Investments in associate companies	-	-	-	-	-	-	482,443	482,443
Financial assets at amortized cost	19,266	319,609	130,450	419,419	742,929	1,780,582	-	3,412,255
Due from related parties	-	-	-	-	-	-	14,567	14,567
Real estate investments	-	-	-	-	-	-	536,451	536,451
Investments in joint operations	-	-	-	-	-	-	1,431	1,431
Investments in hotels	-	-	-	-	-	-	252,344	252,344
Property and equipment, net	-	-	-	-	-	-	2,810	2,810
Other assets	-	-	-	-	-	-	95,185	95,185
Total assets	331,259	592,029	480,584	441,849	786,115	1,876,547	3,134,492	7,642,875
SSC Equity and liabilities								
SSC Equity								
SSC current account	-	-	-	-	-	-	4,216,891	4,216,891
SSC – Unemployment Fund current account	-	-	-	-	-	-	184,951	184,951
Fair value reserve, net	-	-	-	-	-	-	535,760	535,760
Profit (accumulated surplus of revenues over expenses)	-	-	-	-	-	-	2,687,929	2,687,929
Total SSC equity	-	-	-	-	-	-	7,625,531	7,625,531
Liabilities								
Other liabilities	9,301	-	4,000	1,007	-	2,433	-	16,740
Income tax provision	-	-	604	-	-	-	-	604
Total liabilities	9,301	-	4,604	1,007	-	2,433	-	17,344
Total SSC equity and liabilities	9,301	=	4,604	1,007	=	2,433	7,625,531	7,642,875

social security corporation - social security investment fund
Notes to the Stand alone financial Statements
For the year ended 31 December 2015

(Thousands of Jordanian Dinars)

2014 -	Until 1 month	1-3 months	3-6 months	6 months to 1 year	1 - 3 years	More than 3 years	Without maturity	Total
Assets								
Cash and bank balances	988	-	-	-	-	-	-	988
Deposits at banks and financial institutions	338,541	88,688	249,101	11,915	-	-	-	688,245
Financial assets at fair value through revenues and expenses	-	-	-	-	-	-	117,193	117,193
Loans and granted debts, net	48,949	267	2,677	7,347	40,065	39,147	-	138,452
Financial assets at fair value through comprehensive income	-	-	-	-	-	-	1,404,943	1,404,943
Investments in subsidiary companies	-	-	-	-	-	-	203,582	203,582
Investments in associate companies	-	-	-	-	-	-	442,705	442,705
Financial assets at amortized cost	57,391	69,641	35,616	428,698	1,340,582	1,063,730	-	2,995,658
Due from related parties	48	-	30,424	-	-	61,028	-	91,500
Real estate investments	-	-	-	-	-	-	414,631	414,631
Investments in joint operations	-	-	-	-	-	-	1,431	1,431
Investments in hotels	-	-	-	-	-	-	250,605	250,605
Property and equipment, net	-	-	-	-	-	-	115	115
Other assets	-	-	-	-	-	-	109,763	109,763
Total assets	445,917	158,596	317,818	447,960	1,380,647	1,163,905	2,944,968	6,859,811
SSC Equity and liabilities								
SSC Equity								
SSC current account	-	-	-	-	-	-	3,779,890	3,779,890
SSC – Unemployment Fund current account	-	-	-	-	-	-	135,625	135,625
Fair value reserve, net	-	-	-	-	-	-	518,603	518,603
Profit (accumulated surplus of revenues over expenses)	-	-	-	-	-	-	2,417,972	2,417,972
Total SSC equity	-	-	-	-	-	-	6,852,090	6,852,090
Liabilities								
Other liabilities	3,145	-	-	1,112	-	2,518	-	6,775
Income tax provision	-	-	946	-	-	-	-	946
Total liabilities	3,145	-	946	1,112	-	2,518	-	7,721
Total SSC equity and liabilities	3,145	-	946	1,112	-	2,518	6,859,090	6,859,811

29. Segment information

The Fund and its subsidiary companies operate mainly in the Hashemite Kingdom of Jordan. The assets and liabilities are concentrated according to the following geographic distribution:

	2015		2014	
	Assets	Liabilities	Assets	Liabilities
Within the Kingdom	7,632,491	17,344	6,848,947	7,721
Arab countries	10,384	-	10,846	-
	7,642,875	17,344	6,859,811	7,721

(Thousands of Jordanian Dinars)

Below is the distribution of SSIF revenues and capital expenses within the Kingdom and abroad:

	Within the Kingdom		Abroad		Total	
	2015	2014	2015	2014	2015	2014
Total revenues	279,732	327,422	760	1,168	280,492	328,590
Capital expenses	77	82	-	-	77	82

30. Commitments and contingent liabilities

Contingent liabilities and commitments to the Fund as at 31 December 2015 are as follows:

- Bank guarantees and letters of credit to the amount of JD 30 thousand without cash guarantees as at 31 December 2015. (31 December 2014: JD 24 thousand).
- Contractual Obligations

	2015	2014
Swap contracts	97,199	173,923
Investments in joint funds	-	1,892

- Commitments to meet project contracts under implementation for the establishment of the tourist beach project in Aqaba at an expected cost of JD 56,000 to complete these projects, as at 31 December 2015 (31 December 2014: JD 971 thousand).

(Thousands of Jordanian Dinars)

31. Litigation

There are lawsuits filed against the Fund totaling JD 790 thousand as at 31 December 2015 (31 December 2014: JD 790 thousand). In the opinion of the Management and the legal advisers of the Fund, the Fund will not have any obligations.

- An arbitration case was filed in Switzerland by KRIC against the Fund related to an alleged agreement to sell the Fund's shares in the Housing Bank for Trade and Finance. On 20 August 2015, the arbitrator notified the parties that the case was dismissed and that the plaintiff was assigned all costs.

32. International Financial Reporting Standards and new interpretations issued and not yet effective

New and amended financial standards were issued as at 31 December 2015, but they are not yet binding and they were not applied by the Fund:

IFRS 15 Revenue from Contracts with Customers

Standard 15 shows the accounting treatment for all types of revenue arising from contracts with customers. This standard applies to all entities entering into contracts to supply services and goods to customers except for contracts that are subject to other standards such as IAS 17 Leases.

This standard replaces the following standards and interpretations

- IAS 11 Construction Contracts
- IAS 18 Revenue
- Clarification of the Reporting Standards Committee 13 Customer Loyalty Programs
- Clarification of the Reporting Standards Committee 15 Real Estate Construction Agreements
- Clarification of the Reporting Standards Committee 18 Transfers of Assets from Customers
- Interpretation 31 Revenue - Barter operations involving advertising services

The standard shall be applied for periods beginning on or after 1 January 2018 with early application permitted.

IFRS 9 Financial Instruments

The International Accounting Standards Board issued (IASB) issued IFRS 9 'Financial Instruments' in all its stages in July 2014. This standard sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This Standard was issued to replace IAS 39, "Financial Instruments: Recognition and Measurement". The Fund adopted the first stage of IFRS 9 as issued in 2009. The initial application of the first stage was on 1 January 2011. The Corporation will apply the new IFRS 9 on the mandatory date of 1 January 2018 which will have an effect on the recognition and measurement of financial assets.

(Thousands of Jordanian Dinars)

Equity Method in Separate Financial Statements (Amendments to IAS 27 and IFRS 1)

In August 2014, the IASB amended IAS 27 'Separate Financial Statements' which restores to entities the option of applying the equity method to account for investments in subsidiaries, associates and joint ventures as described in IAS 28 'Investments in Associates and Joint Ventures'. Another amendment was also made to IFRS 1 'First-time Adoption of International Financial Reporting Standards', which allows establishments that apply the equity method in separate financial statements to apply the IFRS 1 exemption for mergers before the acquisition date.

These standards come into force as of 1 January 2016. They shall be applied retroactively with early application permitted.

IAS 1 'Presentation of Financial Statements' – Amendments

The amendments to IAS 1 include specific improvements that focus on:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income (OCI) arising from equity accounted investments

these amendments are not expected to affect the financial position or financial performance of the Fund.

These standards shall be effective as of 1 January 2016, with early application permitted.

Investment entities (Amendments to IFRS 10 and IAS 28)

The amendments address issues arising in practice in the application of the investment entities consolidation exception and clarify that:

- The exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Financial statements are consolidated for a subsidiary that is not an investment entity itself and that provides support services to the investment entity. All other subsidiaries of an investment entity are measured at fair value.
- Application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity: The amendments to IAS 28 'Investments in Associates and Joint Ventures' allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries

These amendments to standards shall become operative as of 1 January 2016.

(Thousands of Jordanian Dinars)

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization

The amendments to IAS 16 and IAS 38 clarify the principle that revenue reflects economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

These standards shall be effective as of 1 January 2016, with early application permitted. The Fund does not expect these amendments to affect its financial position or financial performance.

IFRS 16 Leases

IASB issued IFRS 16 "Leases" in January 2016, which sets out the principles for the recognition, measurement, presentation and disclosure of leases.

The requirements of IFRS 16 substantially carry forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The new standard shall be effective as of 1 January 2019. Early application is permitted

Accounting for Acquisitions of Interests - Amendments to IFRS 11 Joint Arrangements

The amendments to IFRS 11 require an operator to apply the relevant IFRS 3 "Business Combinations" principles for business combinations accounting in accounting for the acquisition of an interest in a joint operation where the activity of the joint operation constitutes a business. The amendments also clarify that a previously held interest in a joint operation is not re-measured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to specify that the amendments do not apply when the parties sharing joint control are owned by the same mother company.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation.

The implementation of the new amendments became effective for annual periods which started from 1 January 2016, with early application permitted. The Fund does not expect these to have impact on the financial statements.

**SOCIAL SECURITY CORPORATION - SOCIAL SECURITY
INVESTMENT FUND
CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2015**

SOCIAL SECURITY CORPORATION - SOCIAL SECURITY INVESTMENT FUND
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2015

(In Thousands of Jordanian Dinars)

	Notes	2015	2014
Assets			
Cash and bank balances	3	17,207	23,840
Deposits at banks and financial institutions	4	993,873	744,240
Financial assets at fair value through revenues and expenses	5	125,874	117,193
Loans and granted debts, net	6	112,525	139,052
Financial asset at fair value through other comprehensive income	7	1,443,450	1,456,212
Investments in associates	8	509,094	475,708
Financial assets at amortized cost	9	3,412,255	2,995,658
Subscribers' contribution and rural files assets	10	169,997	164,324
Projects in progress	11	77,176	68,075
Inventory	12	28,147	33,016
Property and equipment, net	13	326,427	320,107
Investment properties	14	591,753	462,516
Investments in joint operations	15	1,431	1,431
Due from related parties	36	9,288	7,170
Intangible assets, net	16	72,937	76,356
Other assets	17	297,272	256,510
Total assets		8,188,706	7,341,408
Liabilities and Equity			
Liabilities			
Subscribers' contributions and rural files liabilities	10	169,997	164,324
Electricity service and subscribers deposits	18	48,813	44,031
Advance payments from electricity subscribers	19	18,030	17,545
Due to National Electric Power Company	20	173,211	141,575
Loans	21	68,695	41,108
Income tax provision	43	2,669	2,838
End of service indemnity provision	22	10,810	10,542
Due to banks	23	34,789	18,070
Due to related parties	36	-	1,397
Other liabilities	24	112,447	104,107
Total liabilities		639,461	545,537
Equity			
Social Security Corporation equity:			
Social security corporation account		4,173,560	3,738,799
Social security corporation current – unemployment fund	27	184,951	135,625
Property and equipment revaluation reserve	25	31,812	31,812
Fair value reserve, net	26	447,026	431,900
Cumulative surplus of revenues over expenses		2,657,342	2,406,000
Total Social Security Corporation equity		7,494,691	6,744,136
Non-Controlling interest	28	54,554	51,735
Total Equity		7,549,245	6,795,871
Total liabilities and equity		8,188,706	7,341,408

SOCIAL SECURITY CORPORATION - SOCIAL SECURITY INVESTMENT FUND
CONSOLIDATED STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2015

(In Thousands of Jordanian Dinars)

	Notes	2015	2014
Revenues -			
Hotels sector		33,201	37,860
Press and publication sector		17,067	18,624
Energy sector		531,018	481,896
Commercial sector		54,777	48,395
Other sectors		2,004	1,351
Total revenues		638,067	588,126
Cost of revenues		(534,602)	(465,655)
Net operating revenues	29	103,465	122,471
Interest income	30	212,634	219,170
Gain of financial assets at fair value through revenues	31	232	8,935
and expenses			
Group's share of associates profit	8	17,562	30,020
Gain from investment properties, net	32	2,797	14,176
Dividends income		42,419	54,611
Releases of excess provisions		-	22
Loss on sale of a subsidiary/an associate		-	(47)
Other revenues		18,376	23,029
Net revenues		397,485	472,387
General and Administrative expenses	33	(73,323)	(70,278)
Energy and maintenance expenses		(8,737)	(10,289)
Selling and distribution expenses		(6,443)	(6,027)
Depreciation of property and equipment	13	(30,569)	(29,542)
Amortization of intangible assets	16	(3,462)	(3,830)
Provision for doubtful debts	17	(811)	(1,881)
Provision for slow moving inventory	12	(587)	(177)
Pre-opening expenses for Crown Plaza Resort-Dead Sea and other expenses		(2,162)	(1,636)
Total expenses		(126,094)	(123,660)
Surplus of revenues over expenses for the year before income tax		271,391	348,727
Income tax expense	43	(2,399)	(6,044)
Surplus of revenues over expenses for the year		268,992	342,683
Attributable to:			
Social Security Investment Fund		263,066	330,611
Non-Controlling interest		5,926	12,072
		268,992	342,683

This attached note from 1 to 46 represent part of these Consolidated financial statements

SOCIAL SECURITY CORPORATION - SOCIAL SECURITY INVESTMENT FUND
CONSOLIDATED STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2015

(In Thousands of Jordanian Dinars)

	Notes	2015	2014
Surplus of revenues over expenses for the year		268,992	342,683
Add: other comprehensive income not to be reclassified to revenues and expenses in subsequent periods			
Net change in fair value reserve	26	15,126	(31,371)
Total comprehensive income for the year		<u>284,118</u>	<u>311,312</u>
Attributable to:			
Social Security Investment Fund		278,192	299,240
Non-Controlling interest		5,926	12,072
		<u>284,118</u>	<u>311,312</u>

SOCIAL SECURITY CORPORATION - SOCIAL SECURITY INVESTMENT FUND
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015

(In Thousands of Jordanian Dinars)

	Social Security Corporation account	Social Security Corporation account – unemployment fund	Property and equipment revaluation reserve	Fair value reserve, net	Cumulative surplus of revenues over expenses	Total Social Security Corporation equity	Non-controlling interest	Total
2015:								
Balance at 1 January 2015	3,738,799	135,625	31,812	431,900	2,406,000	6,744,136	51,735	6,795,871
Prior years adjustments	-	-	-	-	(1,811)	(1,811)	(258)	(2,069)
Non – controlling interest contribution (Note 44)	-	-	-	-	(3,000)	(3,000)	3,000	-
Adjusted balance at 1 January 2015	3,738,799	135,625	31,812	431,900	2,401,189	6,739,325	54,477	6,793,802
Total comprehensive income for the year	-	-	-	15,126	263,066	278,192	5,926	284,118
Transfers During the year, net	434,761	42,413	-	-	-	477,174	-	477,174
Transfers to unemployment fund, net	-	6,913	-	-	(6,913)	-	-	-
Adjustments to prior year differences	-	-	-	-	-	-	(2,262)	(2,262)
Net change in non-controlling interest	-	-	-	-	-	-	(3,587)	(3,587)
Balance at 31 December 2015	<u>4,173,560</u>	<u>184,951</u>	<u>31,812</u>	<u>447,026</u>	<u>2,657,342</u>	<u>7,494,691</u>	<u>54,554</u>	<u>7,549,245</u>
2014:								
Balance at 1 January 2014	3,474,202	94,167	31,812	463,271	2,091,255	6,027,707	55,227	6,082,934
Prior years adjustments	-	-	-	-	5,194	5,194	-	5,194
Adjusted balance at 1 January 2014	3,347,202	94,167	31,812	463,271	2,096,449	6,032,901	55,227	6,088,128
Total comprehensive income for the year	-	-	-	(31,371)	330,611	299,240	12,072	311,312
Transfers During the year, net	391,597	37,372	-	-	-	428,969	-	428,969
Transfers to unemployment fund, net	-	4,086	-	-	(4,086)	-	-	-
Amendments on 2014 differences	-	-	-	-	(16,974)	(16,974)	(3,252)	(20,226)
Net change in non-controlling interest	-	-	-	-	-	-	(12,312)	(12,312)
Balance at 31 December 2014	<u>3,738,799</u>	<u>135,625</u>	<u>31,812</u>	<u>431,900</u>	<u>2,406,000</u>	<u>6,744,136</u>	<u>51,735</u>	<u>6,795,871</u>

This attached note from 1 to 46 represent part of these Consolidated financial statements

SOCIAL SECURITY CORPORATION - SOCIAL SECURITY INVESTMENT FUND
CONSOLIDATED STATEMENTS OF CASH FLOWS
AS AT 31 DECEMBER 2015

(In Thousands of Jordanian Dinars)

	Notes	2015	2014
Operating activities			
Surplus of revenues over expenses for the year before income tax		271,391	348,727
Adjustments for:			
Depreciation of property and equipment	13	30,569	29,542
Amortization of intangible assets	16	3,462	3,830
End of service indemnity provision	22	1,747	1,325
Share of associates' profit	8	(17,562)	(30,020)
Recovery of loans and granted debt impairment provision	6	-	(22)
Provision for doubtful rents		303	-
Gains from revaluation of financial assets at fair value through revenues and expenses	31	(202)	(8,693)
Realized gain on sale of financial assets at fair value through revenues and expenses	31	(60)	(244)
Provision for slow moving inventory	12	587	177
Provision for doubtful accounts	17	811	1,881
Gains from changes in fair value of investments properties	14,32	(1,824)	(13,260)
Gain on disposal of property and equipment		(200)	(341)
Contribution to non-controlling interests		(3,000)	-
(Gain) loss on sales of subsidiaries		(10)	47
Working capital changes:			
Deposits at Banks and financial institutions with maturity of more than 3 months		(101,962)	125,283
Financial assets at fair value through revenues and expenses		(8,419)	(1,451)
Inventory		4,282	(5,360)
Other assets		(41,876)	(47,268)
Related parties		(3,515)	6,084
Electricity service subscribers' deposits		4,782	5,384
Advance payments form electricity subscribers		485	5,945
Due to National Electric Power Company		31,636	12,196
Other liabilities		8,331	10,932
Net cash flows from operating activities before income tax and end of service indemnity paid		179,756	444,694
Income tax paid	43	(2,568)	(1,431)
Paid end of service indemnity	22	(1,479)	(811)
Net cash flows from operating activities		175,709	442,452
Investing activities			
Financial assets at fair value through other comprehensive income		27,888	(40,814)
Financial assets at amortized cost		(416,597)	(772,556)
Investment in associates		(35,597)	-
Dividends from associates		19,773	22,634
Investment properties	14	(127,413)	(6,576)
Property & equipment and projects in progress, net		(48,942)	(36,579)
Loans and granted debts		26,527	9,649
Intangible assets	16	(43)	(27)
Proceeds from sale of property and equipment		3,049	2,595
Net cash flows used in investing activities		(551,355)	(821,674)
Financing activities			
Net of amounts transferred from social security corporation		479,414	428,969
Loans		27,587	(1,411)
Due to banks		16,719	8,577
Changes in non-controlling interest		(239)	(12,312)
Prior year adjustments		(4,535)	5,194
Adjustments on prior years differences		(2,262)	(20,226)
Net cash flows used in financing activities		516,684	408,791
Net increase in cash and cash equivalents		141,038	29,569
Cash and cash equivalents at 1 January		457,684	428,115
Cash and cash equivalents at 31 December	35	598,722	457,684

This attached note from 1 to 46 represent part of these Consolidated financial statments

(In Thousands of Jordanian Dinars)

(1) GENERAL

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

In accordance with Social Security temporary law No. (7) For the year 2010 the name of the investment fund was modified to become "Social Security Investment Fund" "The Fund". The fund's registered address is Mecca St., P.O.Box 85033, Amman 11185, The Hashemite Kingdom of Jordan.

The Fund's main activity is to manage the investments of 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.
- Investing in cash deposits with the banking system with appropriate returns.
- Contributing in mutual funds.
- Contributing in the financing of national projects of economic feasibility by providing long-term loans and against appropriate guarantees.
- Purchase, sale and development of properties for the purpose of acquisition, participation, investment or trading.
- Carry out any investment activities approved by the Investment Board and approved by the Board of Directors of the Social Security Corporation.
- Conducting economic feasibility studies for the projects it intends to invest in, and in this field, to use the role of experts and specialists.
- Follow-up on the performance of the institutions in which the corporation contributes, and report on the performance of these companies, along with recommendations to the Board of Investment.

The consolidated financial statements of the Social Security Investment Fund for the year 2015 have been approved by the Board of Investment on its meeting held on 12 March 2017.

(2) ACCOUNTING POLICIES

(2-1) BASIS OF PREPARATION

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS).

The consolidated financial statements have been prepared in accordance with historical cost convention, except for the financial assets at fair value through revenues and expenses, financial assets at fair value through other comprehensive income and investment properties which have been measured at fair value at the date of these consolidated financial statement.

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

SOCIAL SECURITY CORPORATION - SOCIAL SECURITY INVESTMENT FUND
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(In Thousands of Jordanian Dinars)

(2-2) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Social Security Investment Fund and the financial statements of its subsidiaries "the Group" as at 31 December 2015.

Following are the subsidiaries that have been included in the consolidated financial statements:

	Paid in capital	Sector	Percentage of Ownership	
			2015	2014
			%	%
Jordan Press Foundation PLC/AI-Rai	10,000,000	Press and publication	55	55
Jordan Duty Free PLC	7,500,000	Trading	56.5	56.5
AI-Daman for Investment PLC	10,000,000	Investments and leasing	61.4	61.4
Rama for Investments and saving LLC	3,310,000	Investments	100	100
National Company for Touristic Development LLC	2,050,000	Tourism	100	100
United Travelling Center LLC	4,600,000	Leasing	100	100
Daman for Zone Development private shareholding company*	40,000,000	Leasing	100	100
Daman for Energy Investments private shareholding company**	20,000,000	Energy distribution	100	100
Jordan Daman Company for International operations	100,000	Investment	100	100

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

	Percentage of Ownership	Country of Incorporation
Al-Mafraq Development Company	100%	Jordan
North Development Company	55.52%	Jordan

** The financial statements of Daman for Energy Investments Private Shareholding Company includes the following subsidiary:

	Percentage of Ownership	Country of Incorporation
Kingdom Electricity for Energy Investments PSC	70%	Jordan

(In Thousands of Jordanian Dinars)

Following are the hotels and resorts that have been included in the consolidated financial statements and are fully owned by the Fund:

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

The financial statements of the Fund and its subsidiaries are prepared using the same accounting period as the Funds and using the same accounting policies, except for the following:

- 1- Land owned by National Company for Touristic Development (fully owned) is stated at cost and presented as part of property and equipment. However, according to the accounting policies of the fund it is classified as part of investment properties at fair value and proper reconciliations are prepared in the Fund's consolidated financial statements.

(2-2) BASIS OF CONSOLIDATION (CONTINUED)

- 2- Investment properties for Al - Daman for Investments are presented at cost. However, it is presented at fair value in the consolidated financial statements and proper reconciliations are prepared in the Fund's consolidated statements.

Control is achieved when the Group is exposed, or has the rights, to variable returns from its involvement with the subsidiaries, 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 it the current 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 Corporation 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, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group obtain control until the date the Group ceases to control the subsidiary.

(In Thousands of Jordanian Dinars)

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

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

- Derecognises the assets (including goodwill) and liabilities of subsidiary.
- Derecognises the carrying amount of any non-controlling interest.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained by subsidiary.
- Recognises any gains or losses as a result of losing control.
- Reclassifies the Group's share of components previously recognised in OCI 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 financial statements for the year ended 31 December 2014.

(2-4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial assets at amortized cost

Financial assets that the Group's management aims, according to its business model to hold the assets to collect their contractual cash flows and that the contractual terms of the financial asset give rise, on specified dates, to cash flows constituting solely principal and interest on the outstanding principal amounts.

Debt instruments meeting these criteria are initially measured at amortized cost plus transaction costs. Subsequently they are amortized using the effective interest rate method less allowance for impairment. 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 revenues and expenses

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

(In Thousands of Jordanian Dinars)

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

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

Financial assets at fair value through other comprehensive income

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

These financial instruments are initially measured at their fair value plus transaction costs. Subsequently, they are measured 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 at the consolidated statement of comprehensive income and in the statement of changes in equity and the valuation reserve balance for sold assets will be transferred directly to retained earnings 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.

(2-4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans and granted debts

Provision for impairment of direct loans and granted debts is recognized when there is an objective event that has a negative impact on the estimated future cash flows of the facilities and that can be reliably estimated. The impairment is charged to the consolidated statement of revenues and expenses.

Interest and commissions on the non-performing and doubtful granted loans and debts are suspended.

Loans and the related provision for impairment are written off when collection procedures become ineffective according to the applicable regulations through deduction from the booked provision. The excess in the allowance of possible loan losses, if any, is transferred to consolidated statement of revenues and expenses, and cash recoveries of loans previously written off are credited to income.

Fair value

The Group evaluates 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 37).

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 principal or the most advantageous market must be accessible by the Group.

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

(In Thousands of Jordanian Dinars)

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

(2-4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 financial statements are categorised 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 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 Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The 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 groups 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 of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. Impairment loss is recognised in the consolidated statement of revenues and expenses.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. Such reversal is recognised in the consolidated statement of revenues and expenses.

(In Thousands of Jordanian Dinars)

Impairment testing procedures:

- Goodwill: goodwill is tested for impairment annually at least, or when circumstances indicate that the carrying value may be impaired. The impairment losses for goodwill cannot be recovered.
- Intangible assets with indefinite useful life: indefinite useful life intangible assets are tested for impairment annually at least, or when circumstances indicate that the carrying value may be impaired.

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), to write down the cost of property and equipment to their residual values over their estimated useful lives, when the assets become ready to use. Depreciation rates used are as follows

	<u>%</u>
Buildings	2-10
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 recognised in the consolidated statement of revenues and expenses.

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

Goodwill

Goodwill is initially measured at cost which represent 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 recognised 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 recognised in the consolidated statement of revenues and expenses.

(In Thousands of Jordanian Dinars)

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, while intangible assets with indefinite useful lives are assessed for impairment at each reporting date and impairment loss is recognized in the consolidated statement of revenues and expenses.

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

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

(2-4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 recognised in the consolidated statement of revenues and expenses.

Investment properties are valued using assumptions that reflects the market prices using the average valuation amounts for five real estate experts after excluding the highest and lowest valuations.

End of service indemnity provision

Provision for end of service indemnity is calculated for the period of service accrued on the basis of the last salary and allowances paid by the employee multiplied by the accumulated service period less periodic contributions paid by the Company to the Social Security corporation for the period of service up to the date of the consolidated financial statements.

Revenue and expense recognition

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

Interest income is computed based on an accrual basis, accrued time periods, the original amounts and the interest rates.

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

Newspapers and magazines revenues are recognised when the sale process is completed by the distribution agents and invoices are issued to the agents.

Advertisement revenues are recognised when posted and the invoices are issued to the customer.

Printing revenues are recognised upon the delivery of publications and the issuance of invoices to the customer.

Hotels and rest houses revenues are recognised as follows:

Rooms revenues are recognised on an accrual basis.

Food and beverage and other departments revenues are recognised when the services is rendered.

Energy revenues are recognized when consumed by the customer and the invoice is issued.

(In Thousands of Jordanian Dinars)

(2-4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Sales

Sales revenue is measured at fair value of the consideration received or receivable, excluding sales tax, when all of the following conditions are satisfied:

- The Group has transferred to the buyer all significant risks and rewards of ownership of the goods;
- The Group does not retain either continuing managerial involvement to the degree usually associated with ownership or effective control over the goods sold;
- The amount of revenue can be reliably measured;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Recognition of financial assets

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

Derivative financial instruments

Trading financial derivatives are stated at fair value (such as future interest rates, swaps 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 recognised 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 recognised in the consolidated financial statements as a result of the Group's continuous control over these assets and as the related risks and benefits 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 purchase price is recognised 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 recognised in the consolidated financial statements because the Group has no control over such assets and the related risks and benefits are not transferred to the Group upon occurrence. Payments related to these contracts are recorded under deposits at banks and other financial institutions or loans and granted debts in accordance with the nature of each case. The difference between the purchase price and resale price is recorded as interest revenue amortized over the life of the contract using the effective interest rate method.

(In Thousands of Jordanian Dinars)

(2-4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates

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

Under equity method, investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise 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. Any change in other comprehensive income of those investees is presented as part of the Group's consolidated statement of other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Inventory

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

Income tax

- Income tax expense represents accrued tax and deferred tax.
- Income tax expenses are accounted for on the basis of taxable income. Taxable income differs from income declared in the consolidated financial statements as the declared income includes non-taxable revenue or not deductible expenses in the current year, but deductible in subsequent years, accumulated losses acceptable by the tax authorities, and items not accepted for tax purposes or subject to tax.
- Taxes are calculated on the basis of the tax rates prescribed according to the prevailing laws, regulations and instructions of the Hashemite kingdom of Jordan. Social Security Corporation revenues is exempted from income tax by law except for the rental revenue, revenue of some hotels and foreign investment revenue.
- Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
- 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.

(In Thousands of Jordanian Dinars)

(2-4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Translation differences for non-monetary assets and liabilities denominated in foreign currencies (such as equity securities) are recorded as part of the change in fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, balances with central banks and balances with banks and financial institutions maturing within three months.

Subscribers' contributions assets and liabilities

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

Amortization is calculated on a straight line basis at an annual rate of 4%. The amortization of assets and liabilities of subscribers contributions are offset, and accordingly has no impact on the consolidated statement of revenues and expenses.

Rural files assets

This term represents the infrastructure assets used to connect the electricity Company to rural areas. It is recorded as non-current asset under the term "Rural files assets", and is offset with a liability under the term "Rural files liabilities" carrying the same amount, and that is to conform with the legislations. Amortization is calculated on a straight-line basis at annual rate of 4%. The amortization of assets and liabilities of rural files are offset, and accordingly has no impact on the consolidated statement of revenues and expenses.

Investment 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 according to the percentage of ownership.

(In Thousands of Jordanian Dinars)

(2-4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Offsetting

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

(2-5) USE OF ESTIMATES

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

(3) CASH AND BANK BALANCES

This item consists of the following:

	2015	2014
Cash on hand	395	147
Balances at Central Bank of Jordan	-	4
Current accounts and demand deposits*	16,812	23,689
	17,207	23,840

- As at 31 December 2015, current accounts include JD 5 thousands at Jordan International Bank (2014: JD Zero)

- There were no restricted balances as at 31 December 2015 and 2014.

(4) DEPOSITS AT BANKS AND FINANCIAL INSTITUTIONS

This item consists of the following:

	2015	2014
Deposits maturing within 3 months or less	581,515	433,844
Deposits maturing within 3 to 6 months	400,658	298,481
Deposits maturing within 6 to 12 months	11,700	11,915
	993,873	744,240

(In Thousands of Jordanian Dinars)

- Interest rates on Jordanian Dinar deposits range between 1.35% to 5.75% for the year ended 31 December 2015
- (2014: from 4% to 7.5%)
- Interest rate on Sterling Pound deposits is 0.5%.
- There are no balances with foreign banks and financial institutions and there are no restricted balances as at 31 December 2015 and 2014.
- Deposits include an amount of JD 111 Million; this amount represents deposits against the mortgage of government bonds for the benefit of the Fund held at Societe Generale Bank Jordan.

(5) FINANCIAL ASSETS AT FAIR VALUE THROUGH REVENUE AND EXPENSE

This item consists the following:

Quoted shares	2015	2014
Local	115,490	106,329
Foreign	10,384	10,864
	125,874	117,193

(6 LOANS AND GRANTED DEBTS, NET

This item consists of the following:

	2015	2014
Direct loans	55,064	100,154
Syndicated loans	57,232	39,645
Housing and other loans*	1,037	61
	113,333	139,860
Impairments provision on loans and granted debts	(808)	(808)
Loans and granted debts, net	112,525	139,052

During 2013, housing loans accounts were separated from the Fund accounts in accordance with the Civil Service bylaws for public sector. These amounts were presented in the consolidated financial statements within housing fund deposits included in other assets (Note 17).

(In Thousands of Jordanian Dinars)

Provision for impaired loans

The movement on provision for impaired loans is as follows:

	2015	2014
Balance as at 1 January	808	830
Recovery for the year	-	(22)
Balance at 31 December	808	808

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

	Balance	Interest rate %	Maturity rates	Guarantees
Direct loans	55,064	5.4 – 7.75	31 march 2024	Governmental, real estates, legal
Syndicated loans	57,232	2.08 – 10.75	18 October 2025	Governmental, pledge of shares, legal
Housing and other loans:	1,037			Real estate, life insurance for borrower
	113,333			

Non-performing loans and debts amounted to JD 750 thousand representing 0.6% of loans and granted debts as at 31 December 2015 compared to JD 750 thousand representing 0.5% of loans and debts granted at 31 December 2014. A provision was provided for against the full amount.

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

This item consists of the following:

	2015	2014
Financial Assets- Quoted Shares:		
Quoted shares – local	1,294,065	1,325,202
Quoted shares – foreign	56,519	49,422
	1,350,584	1,374,624
Financial Assets- Unquoted Shares:		
	75,385	65,558
Other financial assets- Unquoted		
Investments in mutual fund – USD	17,481	16,030
Total financial assets at fair value through other comprehensive income	1,443,450	1,456,212

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The fair value of unquoted shares and mutual funds was determined using several methods that comply with the Group's business nature. These methods include net book value, discounted cash flows and net assets.

Quoted Financial Assets at fair value through other comprehensive income distributed according to sectors:

	%	2015	%	2014
Banking sector	84%	1,087,277	75,3%	1,059,925
Manufacturing sector	13,2%	170,904	18,4%	175,929
Services sector	2,6%	89,587	6,1%	85,798
Insurance sector	0,2%	2,816	0,2%	52,972
		1,350,584		1,374,624

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(8) INVESTMENTS IN ASSOCIATES

This item consists of the following:

	Number of shares capital	No. of shares owned by the Corporation	Ownership percentage	Nature of business	Last issued audited financial statements	
Listed in Amman stock exchange			%			
Jordan Kuwait Bank	100,000,000	21,041,644	21,042	Banking	31 December 2015	
Jordan Petroleum Refinery Co.	75,000,000	15,105,468	20,14	Petrochemical	31 December 2015	
Jordan Cement Factory	60,444,460	13,197,226	21,85	Construction	31 December 2015	
Jordan Telecommunication Co.	250,000,000	72,200,00	28,88	Telecommunication	31 December 2015	
Jordan Vorsted Mill Factories	15,000,000	3,000,000	20,03	Textiles	31 December 2015	
Jordan Press and Publishing / Al-Dastour*	4,500,000	1,347,000	30	Press and Publishing	31 December 2015	
East Company for Investments	16,000,000	4,183,178	26,15	Hotel services	31 December 2015	
Jordan Electricity Company	75,600,000	15,331,196	20,28	Energy	31 December 2015	
Unlisted in Amman stock exchange						
South Dead Sea Development Co.	17,000,000	5,100,000	30	Investment	31 December 2015	
Monya Company for Resorts	20,000,000	5,200,000	26	Investment	31 December 2015	
Peace Industrial Development and Investment Company*	1,400,000	700,000	50	Investment	31 December 2015	
Jordan Saudi company for Mafrq Development	100,000	50,000	50	Investment	31 December 2015	
Jordan Magnesia co. *	10,000,000	2,333,333	33	Mining	31 December 2015	
Electrical Equipment Industries co.	3,750,000	881,250	23,5	Manufacturing	31 December 2015	
Al Zanpaq Company	167,000	50,100	30	Electricity generation	31 December 2015	
Zahrat Al salam Company	167,000	50,100	30	Electricity generation	31 December 2015	
Alward Aljoury Company	167,000	50,100	30	Electricity generation	31 December 2015	
Jordan solar Company	167,000	30,000	30	Electricity generation	31 December 2015	
Arab Engineering Industries*	1,816,990	376,363	20,71	Building and engineering	31 December 2015	

These investments are recorded at JD 1 as a result that the accumulated losses exceeded the paid in capital.

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							2015		2014	
	Balance using equity method at the beginning of the year	Purchase/ Capital increase	Sale/ Capital decrease	Dividends received	Share of profit (loss) of associate	Share of fair value reserve	Balance using equity method at year end	Fair market value at year end	Balance using equity method at year end	Fair market value at year end
	89,733	-	-	(4,208)	8,113	(373)	93,265	86,271	89,733	90,269
	37,037	324	-	(2,266)	6,353	(21)	41,427	64,198	37,037	56,016
	18,306	13	-	-	1,517	(1)	19,835	17,024	18,306	22,434
	300,043	-	-	(12,130)	4,651	-	292,564	253,423	300,043	253,423
	13,622	19	-	(751)	983	(675)	13,198	12,420	13,622	12,000
	-	-	-	-	-	-	-	418	-	418
	5,513	-	(24)	(418)	357	(61)	5,367	-	5,513	7,655
	-	36,242	-	-	392	-	36,634	4,628	-	-
	464,254	36,598	(24)	(19,773)	22,366	(1,131)	502,290	438,382	464,254	442,215
	5,563	-	-	-	1	-	5,564	8,480	5,563	8,563
	4,885	-	-	-	(4,885)	-	-	-	4,885	-
	-	-	-	-	-	-	-	-	-	-
	50	-	-	-	(50)	-	-	-	50	50
	-	-	-	-	-	-	-	-	-	-
	956	-	-	-	135	-	1,091	-	956	-
	-	44	-	-	(1)	-	43	-	-	-
	-	43	-	-	(1)	-	42	-	-	-
	-	44	-	-	(1)	-	43	-	-	-
	-	23	-	-	(2)	-	21	-	-	-
	-	-	-	-	-	-	-	-	-	-
	11,454	154	-	-	(4,804)	-	6,804	8,480	11,454	8,613
	475,708	36,752	(24)	(19,773)	17,562	(1,131)	509,094	446,862	475,708	450,828

(In Thousands of Jordanian Dinars)

(8) INVESTMENTS IN ASSOCIATES (CONTINUED)

The following schedules illustrate summarize financial information for the Corporation's major investments in associates:

	Jordan Kuwait Bank	
	2015	2014
Assets	2,844,732	2,609,715
Liabilities	(2,390,478)	(2,172,759)
Non-Controlling Interest	(5,675)	(5,172)
Total Equity	448,579	431,784
Percentage of ownership	21,042%	21,042%
Net investment as of 31 December	93,265	89,733
Interest revenues, commissions and foreign currency, Net	106,435	104,206
Losses on financial assets at fair value through statement of income	(633)	(3,804)
Cash dividends at fair value through other comprehensive income	870	2,178
Provision for direct credit facilities impairment	(20,979)	(14,356)
Employees expenditures	(23,134)	(22,059)
Other revenues and expenses, Net	(23,147)	(19,404)
Profit for the year	39,412	46,761
Attributable to Bank's Shareholders	38,558	46,545
Attributable to Non-Controlling interests	854	216
Group's share of profit	8,113	9,793

(In Thousands of Jordanian Dinars)

(8) INVESTMENTS IN ASSOCIATES (CONTINUED)

	Jordan Petroleum Refinery	
	2015	2014
Current assets	1,121,152	1,640,973
Non-current assets	162,047	157,662
Current liabilities	(1,052,052)	(1,586,909)
Non-Current liabilities	(61,575)	(62,761)
Non-Controlling interest	(3,425)	(2,580)
Total equity	166,147	146,385
Percentage of ownership	20,14%	20,14%
Net investment as of 31 December	41,427	37,037
Sales	2,618,175	4,624,128
Cost of Sales	(2,325,255)	(4,552,679)
Bank interests and commissions	(31,374)	(65,434)
Selling and distribution expenses	(66,861)	(72,790)
Profit settlement with the government	(153,635)	141,123
Other revenues and expenses, Net	(9,702)	(41,918)
Profit for the year	31,348	32,430
Attributable to Company's shareholders	31,132	32,310
Attributable to Non-Controlling interests	216	120
Group's share of profit	6,270	6,507

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(8) INVESTMENTS IN ASSOCIATES (CONTINUED)

	Jordan Cement Factory	
	2015	2014
Current assets		
Non-Current assets	66,101	62,662
Current liabilities	128,910	127,638
Non-Current liabilities	(82,646)	(84,453)
Non-Controlling interest	(22,635)	(21,104)
Total equity	81,582	76,966
Percentage of ownership	21,85%	21,85%
Net investment as of 31 December	19,835	18,306
Sales	104,164	114,309
Cost of Sales	(80,994)	(93,779)
Administrative expenses	(8,541)	(9,095)
Selling and distribution expenses	(1,226)	(1,829)
Finance cost	(2,280)	(3,057)
Other revenues and expenses, Net	(1,359)	(3,183)
Profit for the year	9,764	3,366
Attributable to Company's shareholders	6,943	1,098
Attributable to Non-Controlling interests	2,821	2,268
Group's share of profit	1,517	240

(8) INVESTMENTS IN ASSOCIATES (CONTINUED)

	Jordan Telecommunication Company	
	2015	2014
Current assets	218,598	294,775
Non-Current assets	358,945	293,448
Current liabilities	(245,176)	(228,726)
Non-Current liabilities	(3,727)	(4,963)
Total equity	328,640	354,534
Percentage of ownership	28,88%	28,88%
Net investment as of 31 December	292,564	300,043
Revenues	337,849	344,980
Cost of revenues	(158,802)	(161,409)
Administrative expenses	(21,951)	(22,073)
Marketing and selling expenses	(45,185)	(42,987)
Interest income	2,301	6,053
Other revenue and expenses, Net	(98,106)	(82,441)
Profit for the year	16,106	42,123
Attributable to Company's shareholders	16,106	42,033
Attributable to Non-Controlling interests	-	90
Group's share of profit	4,651	12,139

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(8) INVESTMENTS IN ASSOCIATES (CONTINUED)

	Jordan Worsted Mill Factory	
	2015	2014
Current assets	17,107	16,759
Non-Current assets	59,316	62,948
Current liabilities	(1,668)	(2,902)
Non-Current liabilities	(998)	(932)
Non-Controlling interest	(4,805)	(4,699)
Total equity	68,952	71,174
Percentage of ownership	20,03%	20,03%
Net investment as of 31 December	13,198	13,622
Sales	8,615	8,382
Cost of sales	(4,367)	(4,550)
Administrative expenses	(1,330)	(1,126)
Marketing and selling expenses	(109)	(102)
Other revenue and expenses, Net	2,799	2,099
Profit for the year	5,608	4,703
Attributable to Company's shareholders	4,911	4,090
Attributable to Non-Controlling interests	697	613
Group's share of profit	983	818

(8) INVESTMENTS IN ASSOCIATES (CONTINUED)

	East Company for Investments Projects	
	2015	2014
Current assets	5,335	5,736
Non-Current assets	15,493	16,013
Current liabilities	(643)	(993)
Total equity	20,185	20,756
Percentage of ownership	26,15%	26,15%
Net investment as of 31 December	5,367	5,513
Operating revenues	5,225	6,893
Operating expenses	(1,685)	(1,923)
Administrative expenses, maintenance, marketing and depreciation	(2,680)	(3,117)
Other revenues	768	776
Profit for the year before tax	1,628	2,629
Income tax expense	(264)	(306)
Profit for the year	1,364	2,323
Group's share of profit	357	607

(In Thousands of Jordanian Dinars)

(8) INVESTMENTS IN ASSOCIATES (CONTINUED)

	Jordan Electricity Company
	2015
Current assets	386,774
Non-Current assets	517,132
Current liabilities	(451,991)
Non-Current liabilities	(342,478)
Total equity	109,437
Percentage of ownership	20,28%
Net investment as of 31 December	36,634
Operating revenues	989,379
Operating expenses	(868,798)
Administrative expenses, maintenance, marketing and deprecation	(89,954)
Other revenues and expenses, net	(2,677)
Profit for the year before tax	27,950
Income tax expense	(5,141)
Profit for the year	22,809
Group's share of profit	391

(9) FINANCIAL ASSETS AT AMORTIZED COST

This item consists of the following:

	Average interest rates %	2015	2014
A- Government and public institution bonds guaranteed by government:			
Treasury bonds	2.75 – 8.60	3,295,874	2,918,416
Public institution bonds	5.58 – 7.70	60,431	63,742
		3,356,305	2,982,158
B- Bonds, debts and other securities:			
Private companies bonds and debts	4.45 – 10.00	56,517	14,067
Provision for doubtful bonds		(567)	(567)
		55,950	13,500
		3,412,255	2,995,658

(In Thousands of Jordanian Dinars)

(10) SUBSCRIBERS AND RURAL FILS CONTRIBUTION ASSETS AND LIABILITIES

This item represents the infrastructure constructed by the subsidiaries of Al Daman for Energy Investment (Subsidiary) to connect customer's rural areas to electricity. The cost of infrastructures paid by Subscribers and Jordanian Rural Fills Fund Project and recognized as assets and liabilities in the consolidated statement of financial position. Movement on this account was as follows:

	2015	2014
Cost		
Balance as at 1 January	267,863	253,635
Addition during the year	16,835	14,228
Balance at 31 December	284,698	267,863

	2015	2014
Accumulated amortization		
Balance as at 1 January	103,539	92,738
Amortization for the year*	11,162	10,801
Balance as at 31 December	114,701	103,539
Net book value at 31 December	169,997	164,324

(10) SUBSCRIBERS AND RURAL FILS CONTRIBUTION ASSETS AND LIABILITIES (CONTINUED)

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

	2015	2014
Subscribers contribution liability	123,314	118,112
Rural fils liabilities	46,683	46,212
	169,997	164,324

(In Thousands of Jordanian Dinars)

(11) PROJECTS IN PROGRESS

This item consists of the following:

	2015	2014
Al-Mafraq project's land infrastructure costs*	24,120	19,972
Electricity connection projects	8,701	10,617
Crowne Plaza Hotel – Dead Sea	2,424	1,797
Amra Crowne Plaza rehabilitation – Amman	1,045	561
Crowne Plaza Resort rehabilitation – Petra	831	601
Intercontinental Hotel rehabilitation – Aqaba	403	219
Duty free rehabilitation for cross borders areas	719	347
Aqaba Touristic Beach Project**	32,067	31,338
Holding Inn Resort – Dead Sea Project	419	372
Infrastructure costs for Irbid Projects***	1,668	1,635
Amman Al-Sham Hotel	292	71
Projects in progress for the remaining hotels and resorts***	4,487	545
	77,176	68,075

* This project is estimated to be completed in 2030 with a total estimated cost of JD 180 million as of 31 December 2015. It is estimated that the cost of completion for the developed square meter is 15/880 JD after distributing the estimated cost on the total space of the lands of 11.3 Squared kilometers. The study was updated by an Architecture company and supported by two studies performed by the architecture department where the estimated value for completing the project amounts to JD 180 million as at 26 November 2014. Management believes that the valuation is reasonable and reflects the value and cost of developing the infrastructure for the years 2011 till 2015. The registered area under the company's name granted by the government for the project purpose is 19,8 Squared kilometers and it's recorded under a nominal value of JD 1.

(11) PROJECTS IN PROGRESS (CONTINUED)

** The estimated cost for the completion of this project is JD 32,067 thousand, which represents the value of Aqaba touristic beach project. This project is estimated to be completed in 2016 with a total estimated value of JD 56 million.

*** This project is estimated to be completed in 2030 and with an estimated cost of completion of JD 48 million and was valued by the architecture department in the company as of 6 November 2013. Management believes that the valuation is reasonable and reflects the value and cost of developing the infrastructure for the years 2011 till 2015. The additions on land development amounted to JD 33,249 thousand as of 31 December 2015 (2014: Zero). The area of the land granted by the government for the Irbid Project is 1,196 acres and is registered under the company's name with a nominal value of JD 1.

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(12) INVENTORY

This item consists of the following:

	2015	2014
Raw materials	3,242	2,799
Electricity tools and material – Al Daman for Energy Investments Co.	13,961	17,633
Food and beverage	291	315
Kitchen tools	60	60
Supplies and operational tools	61	71
Finished goods – Duty free	8,266	9,293
Goods in transit	102	385
Others	5,555	5,737
	31,538	36,293
Less: provision for slow moving inventory	(3,391)	(3,277)
	28,147	33,016

Movements on provision for slow moving inventory were as follows:

	2015	2014
Balance as at 1 January	3,277	3,130
Provision for the year	587	177
Inventory write off	(473)	(30)
Balance at 31 December	3,391	3,277

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(13) PROPERTY AND EQUIPMENT, NET

This item consists of the following:

2015:	<u>Lands</u>	<u>Buildings</u>	<u>Furniture and fixtures</u>	<u>Machinery and equipment</u>	
Cost					
Balance as at 1 January 2015	15,381	158,128	43,208	260,474	
Additions	986	2,411	743	17,970	
Disposal	-	(92)	(109)	(4,034)	
Transfers from projects in progress	-	593	1,044	11,166	
Balance at 31 December 2015	<u>16,367</u>	<u>161,040</u>	<u>44,886</u>	<u>285,576</u>	
Accumulated depreciation and impairment					
Balance as at 1 January 2015	-	37,429	27,637	119,866	
Depreciation for the year	-	3,355	3,281	15,197	
Disposal	-	(47)	(99)	(1,292)	
Balance at 31 December 2015	-	<u>40,737</u>	<u>30,819</u>	<u>133,771</u>	
Net book value at 31 December 2015	<u>16,367</u>	<u>120,303</u>	<u>14,067</u>	<u>151,805</u>	
2014:					
Cost					
Balance as at 1 January 2014	14,973	154,637	37,380	240,192	
Additions	408	4,383	6,034	17,284	
Disposal	-	(994)	(206)	(2,747)	
Transfers from projects in progress	-	102	-	5,745	
Balance at 31 December 2014	<u>15,381</u>	<u>158,128</u>	<u>43,208</u>	<u>260,474</u>	
Accumulated depreciation and impairment					
Balance as at 1 January 2014	-	34,577	24,504	106,663	
Depreciation for the year	-	3,282	3,324	14,347	
Disposal	-	(430)	(191)	(1,144)	
Balance at 31 December 2014	-	<u>37,429</u>	<u>27,637</u>	<u>119,866</u>	
Net book value at 31 December 2014	<u>15,381</u>	<u>120,699</u>	<u>15,571</u>	<u>140,608</u>	

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	Vehicles	Additions and improvements	Computers	Electromechanical equipment	Sanitary extensions	Others	Total
	11,745	6,554	15,282	44,991	11,354	7,670	574,787
	2,697	-	1,333	327	24	81	26,572
	(245)	(1)	(128)	(144)	-	-	(4,753)
	-	-	351	-	-	-	13,154
	<u>14,197</u>	<u>6,553</u>	<u>16,838</u>	<u>45,174</u>	<u>11,378</u>	<u>7,751</u>	<u>609,760</u>
	8,070	6,527	12,395	29,476	7,848	5,432	254,680
	1,290	7	1,346	4,200	1,109	784	30,569
	(211)	(1)	(126)	(140)	-	-	(1,916)
	<u>9,149</u>	<u>6,533</u>	<u>13,615</u>	<u>33,536</u>	<u>8,957</u>	<u>6,216</u>	<u>283,333</u>
	<u>5,048</u>	<u>20</u>	<u>3,223</u>	<u>11,638</u>	<u>2,421</u>	<u>1,535</u>	<u>326,427</u>
	10,750	6,556	14,047	43,467	11,114	7,483	540,599
	1,693	-	1,336	1,621	242	187	33,188
	(698)	(2)	(192)	(97)	(2)	-	(4,938)
	-	-	91	-	-	-	5,938
	<u>11,745</u>	<u>6,554</u>	<u>15,282</u>	<u>44,991</u>	<u>11,354</u>	<u>7,670</u>	<u>574,787</u>
	7,618	6,522	11,103	25,454	6,776	4,605	227,822
	1,116	7	1,447	4,118	1,074	827	29,542
	(664)	(2)	(155)	(96)	(2)	-	(2,684)
	<u>8,070</u>	<u>6,527</u>	<u>12,395</u>	<u>29,476</u>	<u>7,848</u>	<u>5,432</u>	<u>254,680</u>
	<u>3,675</u>	<u>27</u>	<u>2,887</u>	<u>15,515</u>	<u>3,506</u>	<u>2,238</u>	<u>320,107</u>

(In Thousands of Jordanian Dinars)

(14) INVESTMENT PROPERTIES

This item consists of the following:

	2015	2014
Land held for investment	574,388	445,843
Buildings held for investment	15,857	15,473
Advanced payments to purchase investment properties	1,508	1,200
	591,753	462,516

Movements on investment properties for the year were as follows:

	2015	2014
Balance as at 1 January	462,516	442,542
Purchases of property investments	127,413	6,576
Disposals of property investments	(6)	-
Transferred from projects in progress	-	138
Gain on valuation of investment properties at fair value	1,830	13,260
Balance at 31 December	591,753	462,516

(15) INVESTMENT IN JOINT OPERATIONS

This item represents investment in joint operations with the housing and urban development Corporation for the purpose of building housing units. The housing and urban development corporation sold part of these housing units, however, ownership was not transferred to the buyers. Thus, amounts received were recognized as differed income, the Fund recognizes these amounts as revenues when ownership is transferred. During 2013, Al-Zaytuna project (1) was completed. Accordingly, net profit of JD 1.2 Million was recognized in the statement of revenue and expenses. Furthermore, the investments in joint operations is stated at cost as at 31 December 2015, the details of the projects were as follows:

	2015	2014
Al-Zaytuna project (2)	997	997
Foara land projects*	434	434
	1,431	1,431

* During 2016, the project was transferred to investments properties.

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(16) INTANGIBLE ASSETS, NET

2015:	Exclusive right*	Licenses**	Right of passing ***	Right to use and operate ****	Goodwill*****	Total
Cost						
Balance as at 1 January 2015	8,000	39,397	8,208	4,108	28,014	87,727
Additions	-	-	16	27	-	43
Balance at 31 December 2015	8,000	39,397	8,224	4,135	28,014	87,770
Accumulated amortization						
Balance as at 1 January 2015	5,333	3,940	1,150	948	-	11,371
Amortization for the year	400	1,970	794	298	-	3,462
Balance at 31 December 2015	5,733	5,910	1,944	1,246	-	14,833
Net book value at 31 December 2015	2,267	33,487	6,280	2,889	28,014	72,937
2014:	Exclusive right*	Licenses**	Right of passing ***	Right to use and operate ****	Goodwill*****	Total
Cost						
Balance as at 1 January 2014	8,000	39,500	8,181	4,108	28,014	87,803
Additions	-	-	27	-	-	27
Disposals on sale of a subsidiary	-	(103)	-	-	-	(103)
Balance at 31 December 2014	8,000	39,397	8,208	4,108	28,014	87,727
Accumulated amortization						
At 1 January 2014	4,933	2,015	-	644	-	7,592
Amortization for the year	400	1,976	1,150	304	-	3,830
Disposals on sale of a subsidiary	-	(51)	-	-	-	(51)
Balance at 31 December 2014	5,333	3,940	1,150	948	-	11,371
Net book value at 31 December 2014	2,667	35,457	7,058	3,160	28,014	76,356

* This item represents amounts paid by the Jordan Duty Free PLC (subsidiary) to the Jordanian Treasury Department in return for the exclusive right to establish duty free shops within land borders and marine ports for the period of 10 years starting from 30 August 2001 where the company is committed to pay 8% (9% starting from September 2011) of its total sales as a return to the Jordanian Treasury Department. During 2009, the Company paid an amount of JD 2 million for extending the exclusive right for 20 years instead of 10 years in addition to the payment of JD 2 million during February 2010 to comply with the agreement terms.

** This item includes an amount of JD 39,397 thousand, which represents the fair value of Electricity Distribution License granted by the Energy Regulatory Commission to the subsidiaries. These licenses are amortized over the remaining life of the license of 19 years. During 2014, the amount of JD 102 thousand was disposed which represents the license's value of Jordan Dubai for Communication and Technology Company as 90% of the company's stocks were sold during 2014.

(In Thousands of Jordanian Dinars)

(16) INTANGIBLE ASSETS, NET (CONTINUED)

*** This item represents compensations paid by a subsidiary of Al-Daman for Energy Investments to land lords for damages caused by the passage of power lines over their properties as per the specialized court's decision or the decrease in market value of these properties. The Group started to amortize the passing rights starting from 2014 over the remaining useful life of the licence.

**** This item represents amounts paid by United Traveling Center Company for the construction and improvement of infrastructure to obtain a use and operation right (License). Amounts paid were recognized as intangible assets in accordance with IFRIC (12) (service concession arrangements) as the amounts paid represent the right (License) to use and operate for 20 years.

***** Details of this item is as follows:

- 1- Goodwill resulting from acquisition of Electricity Distribution Company 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 Al Daman for Energy investment Co. performed a goodwill impairment test as at 31 December 2015 as follows:

The Recoverable amount for Irbid Electricity Distribution Company was determined based on the recoverable amount of the projected cash flows using the financial budget of 2015 that was approved by the Board of Directors. Cash flows after the year 2015 was calculated using a growth rate of 5%. Management believes that the growth rate is appropriate considering the nature of the business and overall inflation in the region. The projected cash flow was discounted at a rate of 11.74%, no impairment losses were recognized. 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 acquisition of Al Daman for Energy Investment Private Shareholding Company (previously, Jordan Dubai for Electricity Distribution Investment Company) by Social Security Investment Fund with a total amount of JD 22,743 Thousand in 2011, which represents the amount of the revaluation difference.

The Recoverable amount for Al Daman for Energy Investments was determined based on the recoverable amount for Kingdom Electricity Company (Subsidiary of Daman for Energy Investments) which was calculated based on the projected cash flow. This Company was identified as a cash – generating unit for the purpose of Goodwill impairment testing. The projected cash flows was performed using a 12.18% discount rate and a growth rate of 3.3%. Based on the impairment test results, no impairment losses was recognized.

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(17) OTHER ASSETS

This item consists of the following:

	2015	2014
Accrued revenues and interests	52,784	71,071
Prepaid expenses and other current assets	24,349	17,473
Deferred tax assets	2,628	2,395
Trade receivables	226,673	174,426
Checks under collection	978	1,057
Housing fund deposits (Note 6)	3,451	3,669
Others	3,048	2,247
Less: provision for doubtful debts	(16,639)	(15,828)
	297,272	256,510

Movements on provision for doubtful debts were as follows:

	2015	2014
Balance as at 1 January	15,828	13,949
Provision for the year	811	1,881
Write offs	-	(2)
Balance at 31 December	16,639	15,828

The balance of the allowance for doubtful debts was JD 16,639 Thousand as at 31 December 2015 (2014: JD 15,828).

As at 31 December, the aging of unimpaired trade receivables is as follows:

	Past due but not impaired					Total
	1 – 30 days	31 – 60 days	61 – 90 days	91 – 120 days	More than 120 days	
2015	94,936	642	295	11,170	104,571	211,614
2014	86,328	1,009	258	8,981	63,438	160,014

Management of the Group expects unimpaired receivables to be collected in full. Guarantees are obtained against these receivables.

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(18) ELECTRICITY SERVICE SUBSCRIBES' DEPOSITS

This item represents amounts received by the subsidiaries of AL-Daman 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 SUBSCRIBES

This item represents the amounts received in advance by the subsidiaries of AL-Daman for energy investments (subsidiary) from the subscribers for electricity connecting services based on the Energy Regulatory Commission Instructions.

(20) DUE TO NATIONAL ELECTRIC POWER COMPANY

This item represents the amounts due on the subsidiaries of Al-Daman 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 27,405 Thousand as at 31 December 2015 (2014:JD 19,364 Thousand)

(21) LOANS

This item consists of the following:

	31 December 2015		
	Short term	Long term	Total
Arab Bank (1)	1,100	165	1,265
Arab Bank (2)	550	1,475	2,025
Jordan Kuwait Bank	-	28,000	28,000
Housing Bank	2,000	29,201	31,201
Jordan Kuwait Bank Loan (US Dollar)	2,068	4,136	6,204
	<u>5,718</u>	<u>62,977</u>	<u>68,695</u>

	31 December 2014		
	Short term	Long term	Total
Capital Bank	2,794	-	2,794
International Finance Corporation	1,787	18,468	20,255
Union Bank	918	11,783	12,701
Arab Bank(1)	1,751	827	2,578
Arab Bank(2)	960	1,820	2,780
	<u>8,210</u>	<u>32,898</u>	<u>41,108</u>

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(21) LOANS

Capital Bank

This item represents the loan amount granted to United Travelling Center for the foreign travel vehicles with an amount of JD 2.5 million bearing an annual interest rate of 8%, The loan is repayable over 7 years in 10 semiannual installments with an amount of JD 250,000 excluding interests. The first installment was due on 13 July 2012, the purpose of the loan is to finance the construction of United Travelling Center for the foreign travel vehicles. On 16 September 2013 the company rescheduled the loan balance to be repaid over 18 semi annual installments with an amount of JD 150,000, the first installment was due on 1 July 2014 bearing an annual interest rate of 9.5% calculated based on the loan daily balance.

The company has fully settled the loan balance on 6 January 2015.

International Finance Corporation

This item represents the loan amount granted to the Electricity Distribution Company – Public Shareholding Company (Subsidiary of AL-Daman for Energy Investments) with an amount of USD 40 Million for the period of 15 years with a grace period of one year, bearing an interest rate of 2.75% plus 3 months LIBOR. The loan is repayable over 56 quarterly installments with different values for each installment, the first installment was due on 15 March 2010, and the last installment will fall due on 15 December 2023. All of the Company's capital and the shares of the purchased subsidiary, which were funded by the loan, were mortgaged.

The company has fully settled the loan balance during 2015.

Union Bank

This item represents the loan amount granted to Electricity Distribution Company –Public Shareholding Company (subsidiary of Al-Daman for Energy Investments) with an amount of JD 16.5 Million for the period of 14 years, without a grace period, bearing an annual interest rate granted to banks' top customers minus a margin of 1.125% annually. The loan is repayable over 56 quarterly installments. The first installment was due on 30 April 2010 and the last installment will fall due on 30 January 2024. The shares of the purchased subsidiary which was funded by the loan, were mortgaged.

The company has fully settled the loan balance during 2015.

(21) LOANS

Arab Bank (1)

This amount represents the loan amount granted to Jordan Press Foundation / Al Rai (subsidiary) on 18 September 2012 with a ceiling JD 7,000,000, bearing a fixed interest of 6.25% for the first two years starting from the granting date. Interest rate will be adjusted thereafter based on the announced lending rates of Arab Bank's top clients after a deduction of 1.1% with a condition not to pledge any of the company's assets or to obtain any other facilities without obtaining

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prior written approval from the bank, and to use the loan proceed for its specified purpose. The loan is repayable over 48 monthly installments of JD 146 thousands, the first installment was due on 30 July 2012 and the last installment was due on 30 July 2016. The loan was granted to finance the printing press complex.

Arab Bank (2)

This amount represents the loan amount granted to Jordan Press Foundation / Al Rai (subsidiary) on 13 March 2014 with a ceiling of JD 3.5 million, bearing an interest rate of 8.625% and repayable over 44 monthly installments of JD 80 thousands, except for the last installment amounting to JD 60 thousands. First installment was due on 1 April 2014 and the last installment will due on 1 November 2017. The purpose of the loan is to finance the remaining printing press complex project and support the working capital and finance other administrative expenses.

Jordan Kuwait Bank – Jordanian Dinar

This item represents the loan amount granted to Kingdom Electricity Company for Energy Investments in May 2015 from 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 is repayable over 18 semi-annual installments with an amount of JD 1,555,555 including the interest due. Interest 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.

Jordan Kuwait Bank – US Dollar

This item represents the loan amount granted to Al-Daman for Energy Investments (subsidiary) in May 2015 from Jordan Kuwait Bank with an amount of USD 8,750,000 (JD 6,203,750) for the period of 2.5 years with a grace period of one and a half year after the first withdrawal to fund company's projects in renewable energy.

The loan is repayable over 3 semi-annual installments with an amount of JD 2,067,917 for each installment, bearing an interest rate of 3.5% plus 6 months LIBOR, the minimum applicable interest rate is 4.5% annually. The first installment will be due on 1 November 2016 and the last one on 1 November 2017.

(21) LOANS

Housing Bank for Trade and Finance – Jordanian Dinar

This item represents loan amount granted to Electricity Distribution Company on 24 November 2015 from the Housing Bank for Trade and Finance with an amount of JD 31,201,190, and a ceiling of JD 40,000,000, with a grace period of one year, bearing an interest rates between is 5% to 5.4% or the granted rate 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 life till the maturity date, with 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 will be due on 1 December 2016, the interest is repayable every six months.

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(22) END OF SERVICE INDEMNITY PROVISION

Movements on end of service indemnity provision were as follows:

	2015	2014
Balance as at 1 January	10,542	10,028
Provision for the year *	1,747	1,325
Payments during the year	(1,479)	(811)
Balance at 31 December	10,810	10,542

* AL-Daman for Energy Investments (subsidiary) capitalized an amount JD 321,000 on project in progress as of 31 December 2015 (2014: JD 260,000).

(23) DUE TO BANKS

This item represents credit facilities granted to AL-Daman for Energy Investments and its subsidiaries from local banks, in addition to amounts granted to Jordan Press Foundation / AL-Rai and United Travelling Center bearing annual interest rates between 5% to 10%. The ceilings for these facilities amounted to JD 53,000 thousand as at 31 December 2015.

(24) OTHER LIABILITIES

This item consists of the following:

	2015	2014
Revenues and grants received in advance	38,816	38,571
Contractors payables and retentions	4,810	3,694
Governmental provisions and fees	3,860	3,677
Trade payables	11,822	13,928
Projects deposits	2,957	2,957
Accrued expenses	2,195	2,118
Waste fees	4,128	3,401
Due to the Ministry of Finance – television fees	2,463	2,209
Rural fils payable	3,996	4,571
Accrued additional payments*	2,613	5,774
Brokers payables	9,301	-
Other liabilities	25,486	23,207
	112,447	104,107

* This item represents the expected adjustment on the purchase price of the subsidiaries of AL-Daman for Energy Investments (Electricity Distribution Company and Irbid District Electricity Company) in accordance with the purchase agreement signed with the Government of the Hashemite Kingdom of Jordan on 18 November 2008.

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(25) PROPERTY AND EQUIPMENT REVALUATION RESERVE

The land owned by the National Company for Touristic and Development (subsidiary) is stated at cost as a part of Property and Equipment. However, it was classified in accordance with the Group's accounting policies as part of Investment Properties at fair value and the necessary reconciliations were prepared in the consolidated financial statements. The difference between the book value and the fair value at the reclassification date on 1 January 2006 was recorded in the consolidated statement of Owners Equity as Property and Equipment Revaluation Reserve.

(26) FAIR VALUE RESERVE, NET

The movement on fair value reserve is as follows:

	2015	2014
Balance as at 1 January	431,900	463,271
Net change in fair value reserve	15,126	(31,371)
Balance at 31 December	447,026	431,900

(27) SOCIAL SECURITY CORPORATION ACCOUNT, UNEMPLOYMENT FUND

Based on the Corporation's Board of Directors' decision No. 14/2014 dated February 4, 2014, 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 2014, those amounts to be invested in Jordanian treasury bonds based on the decision of the Board of Investment, on 26 June 2014.

Movements during the years 2015 and 2014 were as follows:

	2015	2014
Balance as at 1 January	135,625	94,167
Unemployment Fund's share of amounts transferred from the Corporation	42,413	37,372
Unemployment fund's share of Investment Fund's returns	6,913	4,086
Balance at 31 December	184,951	135,625

(28) MATERIAL PARTIALLY-OWNED SUBSIDIARIES

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

	Country	Nature of activity	Percentage of non-controlling interest	
			2015	2014
Jordan Press Foundation / AL-Rai	Jordan	Press and publishing	45.08%	45.08%
Jordan Duty Free	Jordan	Trading	43.5%	43.5%
AL-Daman for Investment	Jordan	Investment and renting	38.6%	38.6%

Condensed financial information of these subsidiaries is provided below. These information are based on amounts before intercompany elimination.

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	2015	2014
Accumulated balance for non-controlling interests		
Jordan Press Foundation / AL-Rai	15,072	16,049
Jordan Duty Free	20,661	18,536
AL-Daman for Investment	4,187	4,075

	2015	2014
Material (loss) profit attributable to non-controlling interests		
Jordan Press Foundation / AL-Rai	(1,000)	(1,184)
Jordan Duty Free	7,018	6,598
AL-Daman for Investment	135	130

(28) MATERIAL PARTIALLY-OWNED SUBSIDIARIES (CONTINUED)

	Jordan Press Foundation / AL-Rai	
	2015	2014
Condensed statement of financial position		
Current assets	5,810	6,002
Non-current assets	39,659	42,340
Current liabilities	(9,889)	(9,450)
Non-current liabilities	(2,146)	(3,237)
Total equity	33,434	35,655
Non-controlling interests in equity	15,072	16,049
Condensed statement of comprehensive income		
Revenue	17,067	18,624
Cost of revenues	(13,934)	(15,855)
Administrative expenses	(3,993)	(3,813)
Selling and distribution expenses	(814)	(1,052)
Other revenues and expenses, net	(541)	(525)
Loss for the year before income tax	(2,215)	(2,621)
Income tax expense	(4)	(10)
Total comprehensive income for the year	(2,219)	(2,631)
Total comprehensive income attributable to non-controlling interests	(1,000)	(1,184)
Condensed statement of cash flows		
Operating activities	1,300	1,557
Investing activities	(133)	(888)
Financing activities	(1,681)	(227)
Net (decrease) increase in cash and cash equivalents	(514)	442

(In Thousands of Jordanian Dinars)

(28) MATERIAL PARTIALLY-OWNED SUBSIDIARIES (CONTINUED)

	Jordan Duty Free	
	2015	2014
Condensed statement of financial position		
Current assets	41,767	39,129
Non-current assets	9,562	9,098
Current liabilities	(3,036)	(3,392)
Non-current liabilities	(804)	(2,229)
Total equity	47,489	42,606
Non-controlling interests in equity	20,661	18,536
Condensed statement of comprehensive income		
Sales	60,184	53,161
Cost of sales	(31,017)	(26,925)
Administrative expenses	(3,384)	(3,389)
Selling and distribution expenses	(3,984)	(3,489)
Other revenues and expenses, net	(5,438)	(4,191)
Profit for the year before tax	16,361	15,167
Income tax expense	(228)	-
Profit for the year	16,133	15,167
Other comprehensive income	-	(1)
Total comprehensive income for the year	16,133	15,166
Total comprehensive income attributable to non-controlling interests	7,018	6,598
Condensed statement of cash flows		
Operating activities	15,412	13,710
Investing activities	(7,642)	(2,877)
Financing activities	(11,250)	(7,500)
Net (decrease) increase in cash and cash equivalents	(3,480)	3,333

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(28) MATERIAL PARTIALLY-OWNED SUBSIDIARIES (CONTINUED)

	AL-Daman for Investment	
	2015	2014
Condensed statement of financial position		
Current assets	3,209	2,675
Non-current assets	7,822	8,048
Current liabilities	(185)	(166)
Total equity	10,846	10,557
Non-controlling interests in equity	4,187	4,075
Condensed statement of comprehensive income		
Operating revenues	334	367
Operating expenses	(335)	(537)
Administrative expenses	(189)	(189)
Share of profit of associate	363	608
Other revenues and expenses, net	176	88
Profit for the year before income tax	349	337
Income tax expense	-	-
Profit for the year	349	337
Other comprehensive income items	(60)	(123)
Total comprehensive income for the year	289	214
Total comprehensive income attributable to non-controlling interests	112	83
Condensed statement of cash flows		
Operating activities	(21)	(112)
Investing activities	(2,100)	(57)
Financing activities	-	(400)
Net decrease in cash and cash equivalents	(2,121)	(569)

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(29) NET OPERATING REVENUES

2015:	Hotels sector*	Press & publishing sector	Power sector	Commercial sector	Other sectors	Total
Operating revenues	33,201	17,067	531,018	54,777	2,004	638,067
Operating expenses	(14,182)	(11,244)	(477,509)	(31,017)	(650)	(534,602)
Net operating revenues	19,019	5,823	53,509	23,760	1,354	103,465

* The net operating revenues for the hotel sector consists of the following:

	Amman AL Sham Palace Hotel	Intercontinental Hotel Aqaba	Crown Plaza Hotel – Amman	Crown Plaza Resort- Petra	Crown Plaza – Dead Sea	Holiday Inn Dead Sea	Total
Operating revenues	1,282	7,827	10,648	1,896	7,275	4,273	33,201
Operating expenses	(530)	(3,486)	(3,398)	(928)	(3,827)	(2,013)	(14,182)
	752	4,341	7,250	968	3,448	2,260	19,019

2014:	Hotels sector*	Press & publishing sector	Power sector	Commercial sector	Other sectors	Total
Operating revenues	37,860	18,624	481,896	48,395	1,351	588,126
Operating expenses	(15,256)	(13,197)	(409,904)	(26,925)	(373)	(465,655)
Net operating revenues	22,604	5,427	71,992	21,470	978	122,471

(30) INTEREST INCOME

This item consists of the following:

	2015	2014
Balances and deposits at banks and financial institutions	31,529	40,548
Bonds and treasury bills	174,101	171,228
Loans	7,004	7,394
	212,634	219,170

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(31) GAIN OF FINANCIAL ASSETS AT FAIR VALUE THROUGH REVENUES AND EXPENSES

This item consists of the following:

	2015	2014
Realized gains	60	244
Unrealized revaluation gains	202	8,693
Commission on purchasing and selling financial assets at fair value through revenues and expenses	(30)	(2)
	232	8,935

(32) GAIN FROM INVESTMENT PROPERTIES – NET

This item consists of the following:

	2015	2014
Revenues:		
Leased properties revenue	1,513	1,191
Expenses:		
Management fees and other expenses	(237)	(275)
Allowance for doubtful rent receivables	(303)	-
	973	916
Change in fair value of investment properties	4,462	13,260
Loss on property investments / Lawsuits	(2,638)	-
	2,797	14,176

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(33) GENERAL AND ADMINISTRATIVE EXPENSES

This item consists of the following:

	2015	2014
Salaries, wages and employees' benefits	40,851	39,484
Training expense	369	221
Telephone and mail	836	862
Stationery and printings	341	417
Rent	198	417
Electricity, water and fuel	923	914
Repair and maintenance	94	235
Insurance expense	645	1,020
Consultancy and professional fees	1,231	2,798
Board of director's remuneration and transportation	645	587
Vehicles and transportation expense	2,457	2,998
Spare parts and material	480	254
Governmental licenses and fees	1,430	1,461
End of service compensations	1,426	1,063
Hotels supervision and operating fees	784	968
Bank charges, interest and commission*	13,762	11,515
Others	6,851	5,064
	73,323	70,278

* This item includes interest penalty on late payments of energy invoices for AL-Daman for Energy Investments (subsidiary) amounting to JD 8,041 Thousand as of 31 December 2015 (2014: JD 7,052 Thousand).

(34) LOSS ON DISPOSAL OF A SUBSIDIARY

This item represents the losses resulting from Energy Investments Company (subsidiary) as a result of selling its investments in it's subsidiary Jordan Dubai Telecom and Technology Company during the year 2014.

(35) CASH AND CASH EQUIVALENTS

This item consists of the following:

	2015	2014
Cash and balances at the Central Bank that mature within three months	-	4
Cash on hand and current accounts with local banks	17,207	23,836
Deposits mature within three months	581,515	433,844
	598,722	457,684

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(36) RELATED PARTIES TRANSACTIONS

The Group entered into transactions with 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 and no provisions were recognized against these loans.

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

	2015			2014
Consolidated Statement of financial position	Associates	Others	Total	Total
Assets and liabilities:				
Bank balances and deposits-				
Jordan Kuwait Bank	40,601	-	40,601	9
Investments in shares-				
Cash dividends				
Jordan Petroleum Refinery Co.	-	2,266	2,266	2,014
The Jordan Worsted Mills Factory	-	751	751	660
Jordan Telecommunication Co.	-	12,130	12,130	15,162
Jordan Kuwait Bank	-	4,208	4,208	4,208
East Company for Investment projects	-	418	418	502
Electrical Equipment Industries Co.	-	-	-	88
Jordanian Electric Power Co.	440	-	440	-
Due from related parties-				
AL-Sham Company for hotel management	-	-	-	67
Intercontinental Hotel Jordan	-	-	-	9
Development and Investment projects fund– Jordan Armed Forces*	-	7,079	7,079	7,079
Other Hotels	-	-	-	15
Jordanian Electric Power	2,209	-	2,209	-
Due to related parties-				
Intercontinental Global Company for hotel management	-	-	-	347
Privatization Holding Company	-	-	-	1,050
Consolidated Statement of revenues and expenses				
Jordan Kuwait Bank deposits	1,298	-	1,298	2,683
Jordan Kuwait Bank current account	-	-	-	35
Executive management salaries and remuneration	-	552	552	632
Investment Board remuneration	-	102	102	86

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(36) RELATED PARTIES TRANSACTIONS (CONTINUED)

* This item represents the amount requested from the development and investment projects fund– Jordan Armed Forces for a full purchase of subsidiary company of the AL-Daman Company for zone development (Business Complex Company - Private Shareholding Company.)

(37) FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, deposits at banks and financial institutions deposits, financial assets at fair value through revenues and expenses, loans and granted debts, financial assets at fair value through other comprehensive income, investments in associates, financial assets at amortized cost, investment properties, investments in joint operations and other assets. Financial liabilities consist of due to banks, loans, due to related parties and other liabilities.

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

(38) 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 the risks and the handle the variances that exceed the allowable 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 specialized risk management and measurement compliance department, in addition to the existing supporting committees such as investment committee and assets and liabilities committee, perform risk management.

(38) RISK MANAGEMENT (CONTINUED)

CREDIT RISK

Credit risk is the risk that one party to financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

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

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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 the transactions in addition to providing the best information systems and specialized technical personnel and to develop plans to maintain business continuity under any emergency circumstances.

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 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.

(38) RISK MANAGEMENT (CONTINUED)

The Group 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 Group's expectations of interest rate trends.

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

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, and 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 reasonably possible changes in interest rate as of 31 December while other variables held constant:

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2015:

Currency	Increase in interest rate %	Impact on surplus of revenue over expenses for the year JD	Impact on owners' equity JD
JD	1	42,182	42,182
USD	1	549	549

2014:

Currency	Increase in interest rate %	Impact on surplus of revenue over expenses for the year JD	Impact on owners' equity JD
JD	1	36,527	36,527
USD	1	1,671	1,671

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

SHARE PRICE RISK

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

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(38) RISK MANAGEMENT (CONTINUED)

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

2015:

Indicator	Change in indicator %	Effect on surplus of revenue over expenses for the year	Effect on owners' equity
Amman stock exchange	5	5,774	70,477
Palestine stock exchange	5	519	519
London stock exchange	5	-	2,826
		6,293	73,822

2014:

Indicator	Change in indicator %	Effect on surplus of revenue over expenses for the year	Effect on owners' equity
Amman stock exchange	5	5,316	71,576
Palestine stock exchange	5	543	543
London stock exchange	5	-	2,471
		5,859	74,590

The effect of 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 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 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 were performed against their obligations.

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(38) RISK MANAGEMENT (CONTINUED)

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 between the maturities of investment instruments and investment obligations.

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

2015	Up to one month	One to three months	Three to six months	Six months up to a one year	More than one year up to three years	More than three years	Without maturity	Total
Assets								
Cash and Bank balances	17,207	-	-	-	-	-	-	17,207
Deposits at bank and financial institutions	577,671	3,844	400,658	11,700	-	-	-	993,873
Financial assets at fair value through revenue and expenses	-	-	-	-	-	-	125,874	125,874
Loans and granted debts, net	5,663	267	4,964	10,730	44,717	46,184	-	112,525
Financial asset at fair value through comprehensive income	-	-	-	-	-	-	1,443,450	1,443,450
Investments in associates	-	-	-	-	-	-	509,094	509,094
Due from related parties	-	-	-	-	-	9,288	-	9,288
Financial assets at amortized cost	19,266	319,609	130,450	419,419	742,929	1,780,582	-	3,412,255
Subscribers' contribution and rural fils assets	-	-	-	-	-	169,997	-	169,997
Project in progress	-	-	-	-	-	-	77,176	77,176
Inventory	-	-	-	-	-	-	28,147	28,147
Property and equipment, net	-	-	-	-	-	-	326,427	326,427
Investment properties	-	-	-	-	-	-	591,753	591,753
Investments in joint operations	-	-	-	-	-	-	1,431	1,431
Intangible assets, net	-	-	-	-	-	-	72,937	72,937
Other assets	-	-	-	-	-	-	297,272	297,272
Total Asset	619,807	323,720	536,072	441,849	787,646	2,006,051	3,473,561	8,188,706
Liability and equity								
Liability								
Subscribers' contribution and rural fils assets	-	-	-	-	-	169,997	-	169,997
Electricity service subscribers' deposits	-	-	-	-	-	48,813	-	48,813
Advance payment from electricity service subscribers	-	-	-	-	-	18,030	-	18,030
Due to National Electric Power Company	-	-	-	-	-	173,211	-	173,211
Loans	-	-	-	5,718	-	62,977	-	68,695
Income tax provision	-	-	2,669	-	-	-	-	2,669
End of service indemnity provision	-	-	-	-	-	10,810	-	10,810
Due to related parties	-	-	-	-	-	-	-	-
Due to banks	34,789	-	-	-	-	-	-	34,789
Other liabilities	-	-	-	-	-	112,447	-	112,447
Total liabilities	34,789	-	2,669	5,718	-	596,285	-	639,461
Equity								
Social security corporation equity								
Social security corporation account	-	-	-	-	-	-	4,173,560	4,173,560
Social security corporation account – unemployment fund	-	-	-	-	-	-	184,951	184,951
Property and equipment revolution reserve	-	-	-	-	-	-	31,812	31,812
Fair value reserve – net	-	-	-	-	-	-	447,026	447,026
Cumulative surplus of revenue operation	-	-	-	-	-	-	2,657,342	2,657,342
Total social security sectors corporation equity	-	-	-	-	-	-	7,494,691	7,494,691
Non-controlling interests	-	-	-	-	-	-	54,554	54,554
Total liabilities and equity	34,789	-	2,669	5,718	-	596,285	7,549,245	8,188,706

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(38) RISK MANAGEMENT (CONTINUED)

LIQUIDITY RISK (CONTINUED)

2014	Up to one month	One to three months	Three to six months	Six months up to a one year	More than one year up to three years	More than three years	Without maturity	Total
Assets								
Cash and Bank balances	23,840	-	-	-	-	-	-	23,840
Deposits at bank and financial institutions	338,636	103,626	290,063	11,915	-	-	-	744,240
Financial assets at fair value through revenue and expense	-	-	-	-	-	-	117,193	117,193
Loans and debts granted, net	48,599	267	2,677	7,347	40,327	39,835	-	139,052
Financial asset at fair value through comprehensive income	-	-	-	-	-	-	1,456,212	1,456,212
Investments in associates	-	-	-	-	-	-	475,708	475,708
Financial assets at amortized cost	57,391	69,641	35,616	428,698	1,340,582	1,063,730	-	2,995,658
Subscribers' contribution and rural files assets	-	-	-	-	-	164,324	-	164,324
Project in progress	-	-	-	-	-	-	68,075	68,075
Inventory	-	-	-	-	-	-	33,016	33,016
Property and equipment, net	-	-	-	-	-	-	320,107	320,107
Investment properties	-	-	-	-	-	-	462,516	462,516
Investments in joint operations	-	-	-	-	-	-	1,431	1,431
Due from related parties	-	-	-	-	-	-	7,170	7,170
Intangible assets, net	-	-	-	-	-	-	76,356	76,356
Other assets	-	-	-	-	-	-	256,510	256,510
Total Asset	468,466	173,534	328,356	447,960	1,380,909	1,267,889	3,274,294	7,341,408
Liability and equity								
Liability								
Subscribers' contribution and rural files assets	-	-	-	-	-	164,324	-	164,324
Electricity service subscribers' deposits	-	-	-	-	-	-	44,031	44,031
Advance payment from electricity service subscribers	-	-	-	-	-	-	17,545	17,545
Due to National Electric Power Company	-	-	-	-	-	-	141,575	141,575
Loans	3,501	1,014	1,721	3,443	10,996	20,433	-	41,108
Income tax provision	-	2,838	-	-	-	-	-	2,838
End of service indemnity provision	-	-	-	-	-	10,542	-	10,542
Due to related parties	-	-	-	-	-	-	1,397	1,397
Due to banks	18,070	-	-	-	-	-	-	18,070
Other liabilities	-	-	-	-	-	-	104,107	104,107
Total liabilities	21,571	3,852	1,721	3,443	10,996	195,299	308,655	545,537
Equity								
Social security corporation equity								
Social security corporation account	-	-	-	-	-	-	3,738,799	3,738,799
Social security corporation account – unemployment fund	-	-	-	-	-	-	135,625	135,625
Property and equipment revolution reserve	-	-	-	-	-	-	31,812	31,812
Fair value reserve – net	-	-	-	-	-	-	431,900	431,900
Cumulative surplus of revenue operation	-	-	-	-	-	-	2,406,000	2,406,000
Total social security sectors corporation equity	-	-	-	-	-	-	6,744,136	6,744,136
Non-controlling interests	-	-	-	-	-	-	51,735	51,735
Total Gap variance	21,571	3,852	1,721	3,443	10,996	195,299	7,104,526	7,341,408

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(38) RISK MANAGEMENT (CONTINUED)

Sensitivity of interest rates were as follows:

2015	Up to one month	One to three months	Three to six months	Six months up to a year	More than one year up to three years	More than three years	Non interest bearing	Total
Assets								
Cash and Bank balances	17,207	-	-	-	-	-	-	17,207
Deposits at bank and financial institutions	577,671	3,844	400,658	11,700	-	-	-	993,873
Financial assets at fair value through revenue and expense	-	-	-	-	-	-	125,874	125,874
Loans and granted debts, net	5,663	267	4,964	10,730	44,717	46,184	-	112,525
Financial asset at fair value through comprehensive income	-	-	-	-	-	-	1,443,450	1,443,450
Investments in associates	-	-	-	-	-	-	509,094	509,094
Due from related parties	-	-	-	-	-	9,288	-	9,288
Financial assets at amortized cost	19,266	316,609	130,450	419,419	742,929	1,780,582	-	3,412,255
Subscribers' contribution and rural fils assets	-	-	-	-	-	169,997	-	169,997
Project in progress	-	-	-	-	-	-	77,176	77,176
Inventory	-	-	-	-	-	-	28,147	28,147
Property and equipment, net	-	-	-	-	-	-	326,427	326,427
Investment properties	-	-	-	-	-	-	591,753	591,753
Investments in joint operations	-	-	-	-	-	-	1,431	1,431
Intangible assets, net	-	-	-	-	-	-	72,937	72,937
Other assets	-	-	-	-	-	-	297,272	297,272
Total Asset	619,807	323,720	536,072	441,849	787,646	2,006,051	3,473,561	8,188,706
Liability and equity								
Liability								
Subscribers contribution and rural fils assets	-	-	-	-	-	169,997	-	169,997
Electricity service subscribers' deposits	-	-	-	-	-	48,813	-	48,813
Advance payments from electricity service subscribers	-	-	-	-	-	18,030	-	18,030
Due to National Electric Power Company	-	-	-	-	-	173,211	-	173,211
Loans	-	-	-	5,718	-	62,977	-	68,695
Income tax provision	-	-	-	-	-	-	2,669	2,669
End of service indemnity provision	-	-	-	-	-	-	10,810	10,810
Due to related parties	-	-	-	-	-	-	-	-
Due to banks	34,789	-	-	-	-	-	-	34,789
Other liabilities	-	-	-	-	-	-	112,447	112,447
Total liabilities	34,789	-	-	5,718	-	473,028	125,926	639,461
Equity								
Social security corporation equity:								
Social security corporation account	-	-	-	-	-	-	4,173,560	4,173,560
Social security corporation account – unemployment fund	-	-	-	-	-	-	184,951	184,951
Property and equipment revaluation reserve	-	-	-	-	-	-	31,812	31,812
Fair value reserve, net	-	-	-	-	-	-	447,026	447,026
Cumulative surplus of revenues over expenses	-	-	-	-	-	-	2,657,342	2,657,342
Total Social Security Corporation equity	-	-	-	-	-	-	7,494,691	7,494,691
Non-Controlling interests	-	-	-	-	-	-	54,554	54,554
Total liabilities and equity	34,789	-	-	5,718	-	473,028	7,675,171	8,188,706
Sensitivity variance	585,018	323,720	536,072	436,131	787,646	1,533,023	(4,201,610)	-
Total sensitivity variance	585,018	908,738	1,444,810	1,880,941	2,668,587	4,201,610	-	-

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(38) RISK MANAGEMENT (CONTINUED)

LIQUIDITY RISK (CONTINUED)

2014	Up to one month	One to three months	Three to six months	Six months up to a year	More than one year up to three years	More than three years	Non interest bearing	Total
Assets								
Cash and Bank balances	23,840	-	-	-	-	-	-	23,840
Deposits at bank and financial institutions	338,636	103,626	290,063	11,915	-	-	-	744,240
Financial assets at fair value through revenue and expense	-	-	-	-	-	-	117,193	117,193
Loans and granted debts, net	48,599	267	2,677	7,347	40,327	39,835	-	139,052
Financial asset at fair value through comprehensive income	-	-	-	-	-	-	1,456,212	1,456,212
Investments in associates	-	-	-	-	-	-	475,708	475,708
Financial assets at amortized cost	57,391	69,641	35,616	428,698	1,340,582	1,063,730	-	2,995,658
Subscribers' contribution and rural files assets	-	-	-	-	-	164,324	-	164,324
Project in progress	-	-	-	-	-	-	68,075	68,075
Inventory	-	-	-	-	-	-	33,016	33,016
Property and equipment, net	-	-	-	-	-	-	320,107	320,107
Investment properties	-	-	-	-	-	-	462,516	462,516
Investments in joint operations	-	-	-	-	-	-	1,431	1,431
Due from related parties	-	-	-	-	-	-	7,170	7,170
Intangible assets, net	-	-	-	-	-	-	76,356	76,356
Other assets	-	-	-	-	-	-	256,510	256,510
Total Asset	468,466	173,534	328,356	447,960	1,380,909	1,267,889	3,274,294	7,341,408
Liability and equity								
Liability								
Subscribers' contribution and rural files assets	-	-	-	-	-	164,324	-	164,324
Electricity service subscribers' deposits	-	-	-	-	-	-	44,031	44,031
Advance payments from electricity service subscribers	-	-	-	-	-	-	17,545	17,545
Due to National Electric Power Company	-	-	-	-	-	-	141,575	141,575
Loans	3,501	1,014	1,721	3,443	10,996	20,433	-	41,108
Income tax provision	-	-	-	-	-	-	2,838	2,838
End of service indemnity provision	-	-	-	-	-	-	10,542	10,542
Due to related parties	-	-	-	-	-	-	1,397	1,397
Due to banks	18,070	-	-	-	-	-	-	18,070
Other liabilities	-	-	-	-	-	-	104,107	104,107
Total liabilities	21,571	1,014	1,721	3,443	10,996	184,757	322,035	545,537
Equity								
Social security corporation equity:								
Social security corporation account	-	-	-	-	-	-	3,738,799	3,738,799
Social security corporation account – unemployment fund	-	-	-	-	-	-	135,625	135,625
Property and equipment revaluation reserve	-	-	-	-	-	-	31,812	31,812
Fair value reserve, net	-	-	-	-	-	-	431,900	431,900
Cumulative surplus of revenues over expenses	-	-	-	-	-	-	2,406,000	2,406,000
Total Social Security Corporation equity	-	-	-	-	-	-	6,744,136	6,744,136
Non-Controlling interests	-	-	-	-	-	-	51,735	51,735
Total liabilities and equity	21,571	1,014	1,721	3,443	10,996	184,757	7,117,906	7,341,408
Sensitivity variance	446,895	172,520	326,635	444,517	1,369,913	1,083,132	(3,843,612)	-
Cumulative sensitivity variance	446,895	619,415	946,050	1,390,567	2,760,480	3,843,612	-	-

(In Thousands of Jordanian Dinars)

(39) SEGMENT INFORMATION

The Group and its subsidiaries mainly operate in the Hashemite Kingdom of Jordan and its assets and liabilities are concentrated according to the following geographical distribution:

	31 December 2015		31 December 2014	
	Assets	Liabilities	Assets	Liabilities
Geographical region				
Jordan	8,121,804	639,461	7,281,123	545,537
Arabian countries	10,384	-	10,864	-
Europe	56,518	-	49,421	-
	<u>8,188,706</u>	<u>639,461</u>	<u>7,341,408</u>	<u>545,537</u>

The assets and liabilities are concentrated according to the following economic distribution:

	31 December 2015		31 December 2014	
	Assets	Liabilities	Assets	Liabilities
Economic sector				
Investment	7,170,497	16,390	6,362,788	7,678
Hotels	143,135	4,702	157,576	4,507
Press and publishing	45,469	12,034	48,342	12,686
Energy	621,817	567,294	543,328	480,465
Trading	51,330	3,841	48,226	5,621
Other	156,458	35,200	181,148	34,580
	<u>8,188,706</u>	<u>639,461</u>	<u>7,341,408</u>	<u>545,537</u>

(40) CONTINGENT LIABILITIES

Letters of Guarantee and Letters of Credit

As at 31 December 2015, the outstanding letters of credit and letters of guarantee were JD 5,455 Thousand (2014: JD 4,346 Thousand).

Contracted Obligations

	2015	2014
Swap contracts	97,199	173,923
Investments in joint funds	-	1,892

(In Thousands of Jordanian Dinars)

(40) CONTINGENT LIABILITIES (CONTINUED)

CAPITAL COMMITMENTS

The remaining capital expenditures to complete projects in progress for subsidiaries and Hotels owned by the Fund as at 31 December 2015 amounted to JD 244,964 Thousand (2014: JD 272,842 Thousand).

OPERATING LEASE

- Operating lease commitment for Al Daman for energy investments – subsidiary:

Al Daman for Energy Investments and its subsidiaries signed a lease agreement on 1 May 2011 for a period of 15 years with a total amount of JD 110 Thousand in addition to some short-term contracts. The minimum future lease payments as at 31 December were as follow:

	2015	2014
Less than 1 year	169	154
1 to 5 years	621	692
Over 5 years	962	1,746
	<u>1,752</u>	<u>2,592</u>

- Operating lease commitment for Al Daman for investments – subsidiary:

On 30 September 1998, the Company has 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 with a written request from the Company.

Starting from the 11th 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.

- Operating lease commitment for United Travelling Center - subsidiary :

On 30 January 2007, the Company signed a construction and operation agreement for the land owned by the General Transport Regulatory Commissions. The annual lease payment amounted to JD 30 thousand for a period of 20 years from the date of commencement of the service, lease payment term will increase every 5 years through extrapolating the inflation rate reported by the official agencies for the last 5 years. The date on which the service will be rendered is still not agreed upon up to the date of the consolidated financial statements.

(In Thousands of Jordanian Dinars)

(41) 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 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 not observable

	Level 1	Level 2	Level 3	Total
2015-				
Financial assets:				
Financial assets through revenues and expenses	125,874	-	-	125,874
Financial assets through other comprehensive income	<u>1,350,584</u>	<u>92,866</u>	<u>-</u>	<u>1,443,450</u>
Total financial assets	<u>1,476,458</u>	<u>92,866</u>	<u>-</u>	<u>1,569,324</u>

	Level 1	Level 2	Level 3	Total
2014-				
Financial assets:				
Financial assets through revenues and expenses	117,193	-	-	117,193
Financial assets through other comprehensive income	<u>1,374,624</u>	<u>81,588</u>	<u>-</u>	<u>1,456,212</u>
Total financial assets	<u>1,491,817</u>	<u>81,588</u>	<u>-</u>	<u>1,573,405</u>

(In Thousands of Jordanian Dinars)

(42) LITIGATIONS

Social Security Investment Fund

- There are lawsuits against the Fund with an approximate amount of JD 790 thousands as at 31 December 2015 (2014: JD 755 Thousand), Management and legal counsel believes that no liabilities will arise from these lawsuits.
- There is a lawsuit raised in Switzerland against the Fund by KRIC, regarding the alleged agreement to sell the Fund's shares in Housing Bank for trade and finance. On 20 August 2016, the arbitrator notified the parties of the dismissal of the lawsuit and assigned the plaintiff company with all costs.

Jordan Press Foundation – Al Rai - Subsidiary

Jordan Press Foundation – Al Rai (subsidiary) is defendant in lawsuit within the ordinary course of business amounting of JD 13,050,410 as at 31 December 2015 (2014: JD 11,018,292) Management and legal counsel believe that no liabilities shall arise from these lawsuits.

Jordan Duty Free Company - Subsidiary

- There are labor lawsuits raised against Jordan Duty Free Company (Subsidiary) with an amount of JD 57,732 as at 31 December 2015, Management and legal counsel believes that the existing provision is sufficient against these lawsuits.
- There are custom lawsuit raised against the Company with an amount of JD 135,670, Management and legal counsel believe that no liabilities will arise from these lawsuits.
- The Income and Sales Tax Department issued a sales tax claim for the years 2008 to 2011 with an amount of JD 345,985 excluding penalties, this amount represents sales tax on other revenues, Those issues have been reconciled benefiting from the decision of The Council of Ministers to exempt The Group from penalties and taxes amounted to JD 345,984 were paid in full.
- The Income and Sales Tax Department issued a sales tax claim for the years 2012 and 2013 with an amount of JD 189,635 excluding penalties, this amount represents sales tax on other revenues, Those issues have been reconciled and benefiting from the decision of The Ministers Council to exempt The Company from penalties and taxes amounted to JD 189,635 Thousand were paid in full.

National Company for Touristic Development - Subsidiary

There are lawsuits against the Company amounting to JD 17 Thousand as at 31 December 2015 related to claims by the lessees.

Daman for Zone Development - Subsidiary

There is a lawsuit against the Company and other parties at Irbid court where the claimant is claiming for land repossession and cancelation of selling contracts and compensation of JD 10 Thousand as at 31 December 2015, Management and legal counsel believe that the case is still at early stages and no liabilities will arise from these lawsuits.

(In Thousands of Jordanian Dinars)

(42) LITIGATIONS (CONTINUED)

Daman for Energy Investments - Subsidiary

There are lawsuits against the subsidiaries of Daman for Energy Investments related to its activities with a total amount of JD 11,030 Thousand as at 31 December 2015 (2014: JD 10,885 Thousand), Management and legal counsel believe that the current lawsuit provision amounting to JD 423 Thousand recognized by the Group is sufficient at the date of the consolidated financial statements.

AI Daman for Investments - Subsidiary

There are lawsuits against the Company amounting to JD 7 Thousand as at 31 December 2015 (2014: JD 12 Thousand).

Lawsuits filed by the company against others amounted to JD 156 Thousand as at 31 December 2015 (2014: JD 89 Thousand).

Crowne Plaza Resort – Dead Sea – Fully Owned Hotel

There are lawsuits raised against the resort amounting to JD 4 Thousand as at 31 December 2015 (2014: JD 7 Thousand), these lawsuits are still in its early stages; Management and legal counsel believe that no additional provisions should be recognized against these lawsuits.

Intercontinental Resort – Aqaba - Fully Owned Hotel

There are lawsuits raised against the resort amounting to JD 83 Thousand as at 31 December 2015 (2014: JD 99 thousand) related to the resort activities, risks related to these lawsuits and its probability of occurrence were analyzed despite the fact that the results cannot be identified accurately, Management and legal counsel believe that no liabilities will arise from these lawsuits.

Holiday Inn Resort - Dead Sea – Fully Owned Hotel

There are lawsuits raised against the resort amounting to JD 6 Thousand as at 31 December 2015 (2014: JD 13 thousand) related to the resort activities, risks related to these lawsuits and its probability of occurrence were analyzed, management and its legal counsel believe that no liabilities will arise from these lawsuits.

During the year 2014, the hotel was sued for causing death and the offense of causing harm lawsuit that is registered under No. 4018/2014. The case is still pending and in its early stages, Management and legal counsel believe that it will not result in any material obligations.

Amman Al- Sham Palace Hotel - Fully Owned Hotel

The Hotel is defendant in lawsuits amounting to JD 3 Thousand as at 31 December 2015 (2014: JD 4 Thousand) related to the Hotel activities. In the opinion of management and legal counsel no liabilities will arise from these lawsuits.

Crowne Plaza Hotel – Dead Sea – Fully Owned Hotel

There are lawsuits raised against the hotel amounting to JD 52 Thousand as at 31 December 2015 (2014: JD 57 Thousand), Management and the Legal Counsel believe that no additional provisions should be recognized against these lawsuits.

(In Thousands of Jordanian Dinars)

(43) INCOME TAX PROVISION

Movements on income tax provision were as follows:

	2015	2014
Balance as at 1 January	2,838	1,730
Prior years income tax	(277)	-
Provision for the year	2,676	2,539
Income tax paid	(2,568)	(1,431)
Balance at 31 December	2,669	2,838

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

	2015	2014
Provision for the year	2,676	2,539
Change in deferred tax assets	(277)	3,505
	2,399	6,044

Tax Position of the Group

Social Security Investment Fund

The income tax provision for the year ended 31 December 2015 has been calculated in accordance with income tax law No. (34) of 2014. Income Tax for the year ended 31 December 2014 was calculated in accordance with the temporary Income Tax Law No. (28) of 2009 and its subsequent amendments. Management believes that the provision amounting to JD 477 thousands is sufficient and there is no need to recognize additional provision. Noting that most of the fund's activities are tax exempted in accordance with Income Tax Law.

The fund submitted its tax declarations for the year 2015. The Income Tax Department has not reviewed the records up to the date of the consolidated financial statements.

The fund obtained a final income tax clearance with the Income Tax Department up to the year 2014.

Irbid Districted Electricity Company public shareholding Company – Subsidiary of Al Daman for Energy Investments

The Company obtained a final tax clearance up to the year 2013. The Income and Sales Tax Department has not reviewed the Company's records for the year 2014 up to the date of the consolidated financial statements.

Electricity Distribution Company public shareholding company – subsidiary of Al Daman for Energy Investments

The Company has obtained a final clearance from the Income and Sales Tax Department up to the year 2013. The Company submitted its tax declarations to the Income and Sales Tax Department for the year 2014.

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(43) INCOME TAX PROVISION (CONTINUED)

Jordan Press Foundation – Al Rai

The Company reached a final settlement with the Income and Sales Tax Department up to the year 2013. The Company submitted its tax declarations for the year 2014; The Income and Sales Tax Department has not reviewed the records up to the date of the consolidated financial statements.

Jordan Duty Free Company - public shareholding Company

Income tax for the Company was settled up to the year 2003, no provision was recognized based on the agreement signed on 30 August 2001 between the Company and Free Zones Corporation which exempts the company's profit from the Income and Social Service Tax, the exemption has been extended till 30 August 2021 under the agreement signed on 8 December 2009 with Free Zones corporation. The estimated taxes on the Company amounted to JD 47,549 for the years 2004 and 2005, in the year 2015 the Group paid an amount of JD 49,549 as taxes for those years including penalties. As for the year 2006, the Company filed a lawsuit with the Tax Court to prevent the Income and Sales Tax Department from claiming income tax on other revenues. The overall aggregated disputed tax amount JD 130,030. As for the year 2007, the Company filed a lawsuit against the Income and Sales Tax Department, being fully exempted unconditionally and was appealed by the Income and Sales Tax Department. On 21 November 2012, the Tax Court of Appeal issued its decision in favor of Income and Sales Tax Department and in 2013 a total of JD 190,127 was paid as income tax for the year 2007.

Taxes on the Group were estimated at JD 480,785 for the years 2008 and 2009. The Income and Sales Tax Department has subjected interest and other income to income tax. The Group objected to that decision and the Group's objection was rejected by the Income and Sales Tax Department. The Group filed a lawsuit against the Department at the Tax Court. The case is in its final stage as it is filed for a final decision by the Tax Court.

Taxes on the Group were estimated at JD 557,878 for the years 2010 and 2012. The Income and Sales Tax Department has subjected interest and other income to income tax. Those issues have been reconciled benefiting from the decision of The Ministers Council to exempt The Group from penalties and taxes amounted to JD 291,844 were paid in full and the case was closed.

The Company submitted its tax declaration for the years 2013 and the amount of JD 179,268 was paid as a result of that declaration including penalties benefiting from the decision of the Ministers Council to exempt the Company from 75% of the resultant penalties in case the Company pays the principle of tax. The Income and Sales Tax Department has not reviewed the Company's records for the year 2013 up to the date of the consolidated financial statements.

The Company submitted its tax declarations for the year 2014 and as a result an amount of JD 202,334 was paid and accepted by the Income and Sales Tax Department.

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(43) INCOME TAX PROVISION (CONTINUED)

The Company was submitted Sales Tax with a retrospective effect starting from 1 November 2014 to benefit from decision of the Ministers Council to exempt the Company from penalties in the case the principle of tax amounts was paid in full. During the year 2015 the Company paid an amount of JD 106,532 as sales tax for the year 2014.

National Company for Touristic Development - Subsidiary

The Company obtained a final tax clearance from the Income and Sales Tax Department up to the end of 2007, Income and Sales Tax Department reviewed the Company's accounting records for the years 2008, 2009 and 2010 and released the decision to impose tax on the Company amounting to JD 200,453 on these years and the Company has submitted an objection on this decision at the Tax Court. The Income and Sales Tax Department did not review the Company's records for the years 2011, 2012 and 2014, and managements believes that no need to recognize additional provisions.

Al-Daman for Investments - Subsidiary

The Company obtained a final tax clearance from the Income and Sales Tax Department for the Company's activities in Amman up to the end of the year 2014 except for the year 2010, which is under appeal and still pending before the court. In addition, the company obtained a tax clearance for the Company's activities in Aqaba up to the year 2011. Tax declarations related to the Company's activities in Aqaba were submitted for the years 2012, 2013 and 2014. The Income and Sales Tax Department did not review the Company's records until the date of the consolidated financial statement. The Company's management did not recognize the deferred tax assets since it's not significant and will not benefit the Company in the near future.

Rama for Investing and Saving Company - Subsidiary

The income tax expense was calculated for the 2015 in accordance with the Income Tax Law No. (34) of 2014. The company has obtained the final clearance from the Income and Sales Tax Department up to 2015 except for the year 2012. Declarations for the years 2011, 2013 and 2014 were accepted through the sampling system

Al-Daman for Zone Development - Subsidiary

The company has calculated its income tax provision for the year ended 31 December 2015, in accordance with the zones development law No. (2) of 2008. The Company deducts 5% from its taxable income as income tax provision

United Travelling Center - Subsidiary

Income tax provision was not calculated for the two years ended 31 December 2013 and 2014 due to the excess of expenses over taxable income in accordance with the temporary Income Tax Law No. (28) of 2009 and its subsequent amendments. The Company has submitted its tax records up to the year 2011 and obtained a tax clearance with the Income and Sales Tax Department up to that year.

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(43) INCOME TAX PROVISION (CONTINUED)

The Company submitted its income tax declarations for the two years ended 31 December 2014 and 2013 within the legal time period, and the Income and Sales Tax Department has not reviewed the records up to the date of the consolidated financial statements.

(44) NON-CONTROLLING INTERESTS CONTRIBUTION

In 2007, the Government of the Hashemite Kingdom of Jordan and the Investment Unit of the Social Security Corporation appropriated the shares in the Mafraq Development Company would to be 80% for Al-Daman Company for the Zone Development, 10% for the Hashemite Development Fund for Badia and 10% for the King Abdullah Development Fund.

Based on the decision of the Management Committee of the "Investment Fund" of the Social Security Corporation No. 14/14/2007 at its meeting No. 14 of 2007 on 19 August 2007, which provided that the capital of Mafraq Development Company should be 20 million Jordanian dinars, paid in full by the investment Fund which later became the "Daman for Zone Development" as its legal successor in that agreement. An amount of JD 3 Million was recognized in the Company's accumulated losses account, representing the amount paid by Daman for Zone Development during the year 2015 for the shares of the non-controlling interests according to the aforementioned ratios after paying JD15 million to Mafraq Development Company to raise the capital according to the agreement.

(45) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue—Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2018, and early adoption is permitted.

(45) STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

IFRS 9 Financial Instruments (Implemented IFRS 9)

During July 2014, the IASB issued IFRS 9 "Financial Instruments" with all the three phases. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement". The Company has

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implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011. The new version of IFRS 9 will be implemented at the mandatory date on 1 January 2018, which will have an impact on the recognition and measurement of financial assets.

Equity Method in Separate Financial Statements (Amendments to IAS 27 and IFRS 1)

In August 2014, the IASB amended IAS 27 Separate Financial Statements which restore the option for entities, in the separate financial statements, to account for investments in subsidiaries, associates and joint ventures using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment.

IAS 1 Presentation of Financial Statements – Amendments to IAS 1

The amendments to IAS 1 include narrow-focus improvements related to:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income (OCI) arising from equity accounted investments

Investment entities (Amendments to IFRS 10 and IAS 28)

The amendments address the issues arising in practice in the application of the investment entities consolidation exception and clarify that:

- The exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity: The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

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(45) STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

IFRS 16 Leases

During January 2016, the IASB issued IFRS 16 "Leases" which sets out the principles for the recognition, measurement, presentation and disclosure of leases.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 introduced a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation.

The implementation of the new amendments did not have impact on the Group's financial position or performance and became effective for annual periods which started from 1 January 2016.

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(45) STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests (CONTINUED)

The 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 Group intends to adopt these standards, if applicable, when they become effective.

(46) COMPARATIVE FIGURES

Some of 2014 balances were reclassified to correspond with the 2015 presentation. The reclassification had no effect on the profit and equity for the year 2014.