



مركز إيداع الأوراق المالية
Securities Depository Center



ANNUAL
REPORT


2023




His Majesty
King Abdullah II Bin Al Hussein



His Royal highness
Crown Prince Hussein Bin Abdullah II



“Comprehensive modernization, across its political, economic, and administrative tracks, in all its aspects, constitutes a major national project around which all national goals must revolve and efforts and resources must be harnessed to achieve it. State institutions must adopt a new concept of national achievement whose results are felt by citizens, and we will not accept retreat or hesitation in implementing these goals.”



His Majesty King Abdullah II Bin Al Hussein

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Introduction

Board of Directors Chairman's Statement

In the Name of Allah

Distinguished Members of the Securities Depository Center's General Assembly,,,

I and my fellow members of the Board of Directors of the Securities Depository Center (SDC) are pleased to extend to you the warmest welcome, and to present the twenty-fourth annual report, which includes the most important outcomes of the Center's work that it achieved during the year 2023 and the future strategic directions. In addition to the financial accounts and the external auditor's report on those statements as they are at the end of the fiscal year 2023.

Despite the financial, economic and geopolitical difficulties and challenges prevailing during the year 2023, the SDC was able to deal with all these challenges and their consequences with full competence and determination to continue its ongoing efforts by implementing strategic policies and comprehensive action plans to enhance sustainability, creativity and quality.

The SDC has continued to enhance its strategic directions towards governance standards and automation of its activities to ensure the provision of the best services to all members of the General Assembly. As well as focusing on providing modern digital services using artificial intelligence algorithms to meet the needs of investors in the Jordanian capital market in trading, supervision, clearing and transfer of ownership.

The SDC also launched the updated version of the "e-portfolio" service in order to help investors view their account statements of securities and all the transactions carried out on them. This service will be activated through smart phones via the e- portfolio application, in addition to the SDC implementing the final stages of updating its website and launching it at the beginning of next year.

The infrastructure for communications network systems has been updated to maintain the integrity of electronic systems, which serves investors, Jordanian capital market institutions, public shareholding companies, and financial brokers, and helps speed up the dissemination of information, security, and increase the efficiency of those electronic systems. Coordination was also made with the National Cyber Security Center to enhance the security and assurance system of the electronic environment at the SDC.

In order to enhance confidence, creativity, and adopt advanced technology, the SDC was keen to strengthen the ties of cooperation and communication with the Arab and foreign financial markets by participating in many meetings and conferences that were held locally and internationally in the global financial markets.

It has become clear that the SDC continues to adopt the advanced and modern technology to raise the competencies and technical skills of the Center's employees and provide training opportunities in the global financial markets which is considered one of the most important basic indicators in diversifying and developing its various activities that the Jordanian capital market needs. It is also important to conclude partnership agreements with global financial markets, which include modern technologies and international quality standards to allow the center to develop the services provided to investors with high-quality standards.

Based on the above, and out of concern for the challenges and difficulties that may arise from financial and economic crises in the next stage, the SDC is working with all determination and dedication within its strategic plan 2024-2026 to achieve its future goals to meet the needs of the Jordanian capital market through a specific road map for implementing projects and programs included in its future plan linked to the royal vision to modernize the economic system. The success of this strategic transformation will help to find a comprehensive methodology to ensure sustainability, raise the level of the SDC's institutional performance, and overcome future challenges and difficulties.

In conclusion, I extend my sincere thanks and great gratitude to all of you, the honorable members of the General Assembly, for your continued support of the SDC. I would also like to emphasize the SDC's commitment to its mission, core values, and goals to enhance your trust and permanent support for it.

In light of the SDC's achievements, allow me to extend on your behalf my sincere thanks to the distinguished efforts of the executive management, managers and employees for their continuous efforts to strengthen the SDC's position to achieve the best results and achievements in cooperation and coordination with the Jordan Securities Commission, and the Amman Stock Exchange.

We ask God Almighty to preserve Jordan and to remain strong and proud under the leadership of His Majesty the Hashemite King Abdullah II Ibn Al-Hussein.

Dr. Adeeb Haddad
Chairman



Our Vision

A distinguished institution for providing and developing Securities services which contributes in enhancing safe, stable and attractive environment for investment.



Our Mission

Safekeeping, Transfers, Clearance and Settlement of Securities in compliance with international standards and best practices, and improving the level of services, relying on qualified human resources, advanced technology and a culture of excellence.



Our Core Values

- Integrity and the Rule of Law
- Security and Confidentiality of Information
- Accuracy
- Transparency
- Excellence in Performance
- Professionalism



Our Objectives

- Enhance the confidence of investors in securities and enable them to follow-up their investments easily.
- Reduce risks related to settlement of trading transactions executed through the market.

Overview of the SDC

Establishment and Responsibilities

The SDC commenced operation in May 1999 and is legally empowered by virtue of the Securities Law to oversee the following responsibilities:

- Registration, safekeeping, and depositing of securities.
- Transferring the ownership of securities.
- Clearing and Settlement of Securities.
- Imposing and releasing the ownership restrictions upon deposited securities.

SDC's Management

A- Board of Directors

The board of directors consists of five members. Two members of the board are elected by the General Assembly of the SDC and three members are appointed by the JSC.

This board establishes the SDC's general policy to guarantee the management and development of its operations and activities, and establish the necessary internal by-laws and instructions to direct the SDC's affairs. The SDC's Board of Directors is composed of:

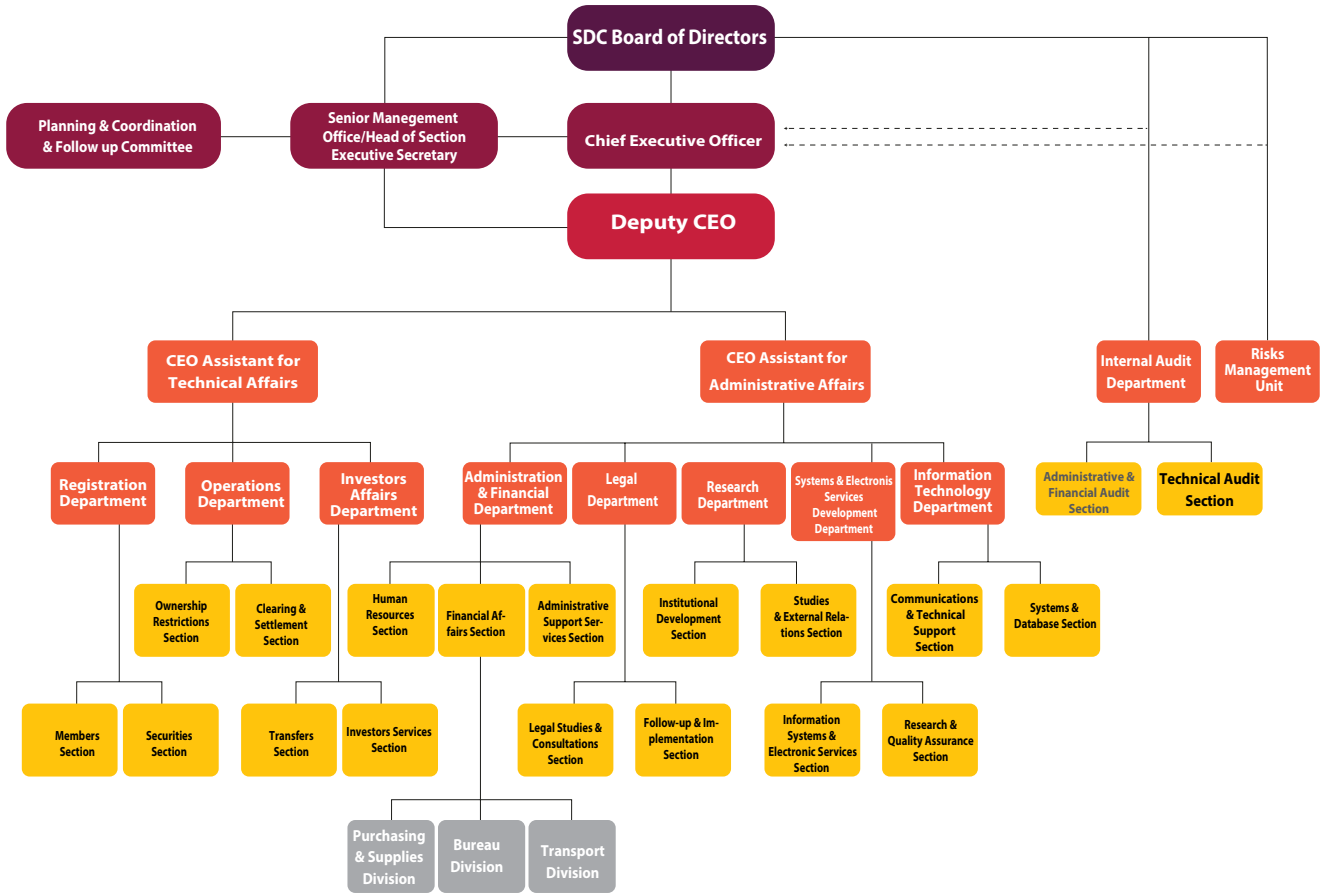
1. Three private sector members with expertise in legal, financial and economic fields, appointed by the Board of Commissioners of the Jordan Securities Commission.
2. One member representing public shareholding companies.
3. One member representing brokers and custodians.

B- Chief Executive Officer

Beside the Board of Directors, the Chief Executive Officer, is responsible for all the administrative, financial and technical affairs of the SDC including follow up the implementation of the Law, by-laws, instructions and resolutions issued pursuant thereto, execute the Board of Director's resolutions, follow up the due operations of the SDC and the performance of its employees and administrative body, and pursue all the powers and further activities assigned to him by the Board of Directors.

The SDC conducts its operations through different departments and sections based on transparent institutional methods with the application of the international standards and best practices, where the SDC consists of ten departments. Below is an illustration of the SDC's organizational structure:

Organizational Structure



Registration Department

The Registration Department takes the necessary measures for the admission of a new member (public shareholding companies, brokers, and custodians) to the SDC and ensures the completion of the documentation required for that purpose. It also registers securities and opens accounts on the SDC systems for that purpose. The Department also conducts the necessary measures to deposit securities at the SDC and execute corporate actions. The Department is divided into two sections: Members Section, and Securities Section.

Operations Department

The Operations Department executes the process of clearing and settlement of the trading contracts executed through the Amman Stock Exchange which is represented by the delivery of sold securities against payment of funds, impose and release ownership restrictions (pledge, lien and freeze) to deposited securities. The Department is divided into two sections: Clearing & Settlement Section, and Ownership Restrictions Section.

Investor Affairs Department

The Investor Affairs Department took over the operation of the transfer of the ownership of securities excluded from trading and transfers of non-traded securities, and managing and organizing the SDC's relationship with the public and executing all transactions of issuing ownership notices of deposited securities and statements of the securities accounts in addition to provide services for updating data, subscribing to electronic services, reception, and answering all public inquiries. The Department is divided into two sections: Transfers Section and Investors Services Section.

Financial & Administration Department

The Financial & Administration Department is responsible for all the SDC's human resources and financial affairs; in addition to providing the administrative support services necessary for the SDC's operations and organization. The Financial & Administration Department is divided into three sections: Human Resources Section, Financial Affairs Section, and Administrative Support Services Section that includes three divisions: Purchases and Supplies, Bureau, and Transport.

Legal Department

The Legal Department is concerned with providing legal consultation and studies, preparing drafts of laws, regulations, and instructions and giving recommendations about necessary legislative amendments, drafting agreements, contracts and MOUs which are held by SDC with others, and following up legal affairs, including adopting official documents according to the legal requirements, and follows up cases in which the SDC is a party thereto. The Department is divided into two sections: Legal Studies and Consultations Section and Follow-up and Implementation Section.

Research Department

The Research Department prepares studies and research papers and provides information, data and statistics related to the SDC's activities. It also follows up the SDC's relations with external institutions and the development of other central securities depositories to establish cooperation relations with them. This department also develops the SDC's organizational structure, prepares and develops its strategic plan, and prepares the annual institutional development plan; in addition to documenting all the SDC's operations, procedures, and services and setting up and applying the methodology of knowledge management, the Research Department is divided into two sections: Studies & External Relations Section, and Institutional Development Section.

Information Technology Department

The Information Technology Department manages, maintains, and develops the SDC's systems, database, and software in addition to internal and external communication network issues. It also provides technical support services for the SDC's departments and all SDC's members. The Information Technology Department is divided into two sections: Systems & Databases Section, and Communication & Technical Support Section.

Department of Systems and Electronic Services Development

Systems and Electronic Services Development Department undertakes the tasks of developing and programming the SDC's electronic system(SCORPIO) and its subsystems, as well as the SDC's supporting systems, electronic services and applications, and the SDC's website, in addition to preparing the necessary technical studies for electronic systems and e-services and completing the procedures and inspections necessary to ensure the quality. The department is divided into two sections: Information Systems and Electronic Services Section and the Research and Quality Assurance Section.

Risk Management Unit

The Risk Management Unit is concerned with preparing and developing risk management policies and procedures related to all financial, administrative, operational, technical, and informational affairs of the SDC and determining mechanisms for following up on their implementation. Establishing procedures for granting permissions to use all electronic systems and applications used in the SDC, and periodically reviewing the permissions granted to all users in accordance with functional requirements. In addition to developing and implementing an information security system, and determining technical, physical and procedural controls.

Internal Audit Department

Internal Audit Department verifies that measures and actions carried out by the SDC departments have been in accordance with the applicable legal frameworks, and as it is in the laws, regulations and instructions. The department is divided into two sections: Administrative & Financial Audit Section, and Technical Audit Section.

Human Resources

The SDC has a continuous concern in the development of its human resources and its performance. The following are graphs illustrating the composition of human resources, where the SDC has (70) employees.



Distribution of employees by gender

Gender	#employees
Male	41
Female	29
Total	70

Distribution of employees by educational qualification

Educational Qualification	#employees
Master	25
Higher Diploma	1
Bachelor	32
Diploma	1
Secondary or less	11
Total	70

Distribution of employees by age group

Age Group	#employees
50-59	6
40-49	38
30-39	23
Below 30	3
Total	70

SDC's Members

Since membership in the SDC is mandatory for public shareholding companies in their four sectors (banking sector, insurance sector, services sector, and industrial sector), brokers and custodians, the total number of members of the SDC reached (273) members distributed as follows:

SDC's General Assembly Members

Year	Public Shareholding Companies					Brokers			Custodians			Members' Total	
	Banks	Insurance	Services	Industry	Total	Public Shareholding	Other	Total	Public Shareholding	Broker	Other		Total
2023	15	20	138	53	226	7	47	54	14	2	0	16	273

SDC's Membership in the Regional and International Organizations

- Association of National Numbering Agencies (ANNA).
- Africa & Middle East Depositories Association (AMEDA).
- Federation of Euro-Asian Stock Exchange (FEAS).

SDC's Website (www.sdc.com.jo)

As part of the SDC's constant endeavor to enhance the transparency and disclosure, the SDC publishes all information of interest to the investors on its website, including:

- "e-portfolio" service and other electronic services.
- The names of the Board members and representatives.
- Ownership of the public shareholding companies' board of directors members.
- Shareholders who own significant percentage of their share capital.
- Trading of members of the boards of directors of those companies and representatives of legal members.
- Financial ratios.
- Corporate actions.

Within the framework of continuous development and the constant endeavor to improve the user experience and meet the needs of researchers and investors, the SDC will launch its new website at the beginning of the next year with the aim of providing a totally new version with a new user-friendly experience.

The new website includes a set of features that make it one of the leading destinations for researchers for financial and investment information. This website provides an interactive experience for users in addition to enhancing its technical infrastructure to keep pace with the latest international standards in the field of websites.

The website contains on its home page new information such as International Standards, risk management, and various statistical data and its charts.

Illuminations for the year 2023

At the end of this year

The number of members of the SDC	(273) members
The number of issued securities	(7.58) billion securities
The total value of the issued securities	(JOD 20.50) JOD billion
The number of deposited securities	(7.55) billion securities
The total value of the deposited securities	(JOD 20.39) JOD billion

During the year

Trading volume	(1.5) JOD billion
The number of investors identified on the SDC's database	(10,981) investors
Number of accounts defined	(12,641) accounts
The number of companies increases its capital	(12)
The number of securities that increased as a result of the capital increase	(469) million shares
The number of companies decreases its capital	(10)
The number of decreased securities	(258) million shares
The number of transactions exempted from trading through the market	(59,999) transactions
The number of transferred securities	(63) million securities



SDC's Achievements

SDC's Achievements in 2023

SDC's New Website

As part of the SDC's plan to build communication channels with its members, including public shareholding companies, brokers, custodians, and the public of investors, dealers in Jordanian securities, and those interested, the SDC has completed the final stages of updating and redesigning its website on the Internet.

The new website provides more information, data, and a package of services to all its members and stakeholders. It will also allow access to information easier and faster, and redesign all pages of the website in a way that facilitates the process of browsing and viewing data, and in a manner consistent with the relevant international technical standards that improve positively the performance and efficiency of the website. The SDC will launch its new website in the first quarter of next year.

Self-Assessment Report according to the Disclosure framework and Assessment Methodology against Principles for Financial Infrastructures issued by IOSCO and BIS

For the first time, the SDC has completed filling out the self-assessment report according to the Disclosure framework and Assessment Methodology against Principles for Financial Infrastructures issued by IOSCO and the BIS -Bank for International Settlements. It will be uploaded to the new website under the international standards tab on its home page in the first quarter of next year.

Developing the technical environment for the SDC's electronic systems

The main server system for the electronic SDC system (SCORPIO) was updated by purchasing new main server with advanced specifications to ensure the continuity of the electronic SDC system's operation. For the purposes of developing the infrastructure for networking and communications systems, a tender was submitted for the project to develop the infrastructure for networking and communications systems to improve performance and ensure the stability and continuity of services provided by the SDC to its members. The SDC, along with capital market institutions, completed the implementation of a project to develop the infrastructure for network and communications systems shared between institutions.

The SDC's technical and infrastructure was also developed to ensure the availability, continuity, and security of the SDC's electronic data and systems 24/07 hours and at the three (Datacenters) which are main site, business continuity, and recovery site through a tender for a project to develop and modernize the infrastructure and technical environment for the central storage units. It was also linked to the secure government network (SGN) and the central government platform (GSB) to exchange services and data between various government agencies quickly and securely.

Settlements of Block Trades

The SDC developed the mechanism for implementing financial settlements for Block Trades and completing them directly through the SDC and on a delivery versus payment (DvP) basis to guarantee the rights of all parties and reduce the risks related to financial settlements for trading contracts for Block Trades through developing financial settlements in the SDC's system.

Launching the second phase of the text messaging service (SMS)

The SDC launched the second phase of the SMS project which shall include sending text messages of all types of transactions executed on the investors' accounts such as securities transfers between accounts (inheritance transfer, family transfer, and transfer for the purpose of dividing the joint ownership), corporate actions, ownership restrictions (increase / decrease of capital or membership termination). Also SMS messages will be sent to the investor upon the issuance of an ownership notice or statement of account and when completing the procedures related to issuing the user name and password for the e-portfolio service.

Launching the second phase of the e-Portfolio service

The SDC launched the updated version of the e-Portfolio service (free of charge) to enable investors to view the balances and statements of their securities and all transactions executed on them, where it has been simplified for Jordanian investors (individual). They can subscribe to the service electronically and directly through the SDC's website without the need to present to the SDC. Therefore, anyone will be able to subscribe automatically and obtain his/her own user name and password.

The government has included it in the summary of government achievements in achieving comprehensive digital transformation as a registered achievement for the Securities Depository Center. During the first quarter of 2024, this service will be activated on smartphones via the "e-Portfolio" application.

Developing investor's service hall

The SDC finished the developing its Investor Service Hall, which is located on the ground floor of the Jordanian Capital Market Institutions Building and opened officially in 2023. The hall has been redesigned and developed to serve the smooth and speedy flow of transactions and organize the automated queue, and at the same time allows the development of the services provided with the aim of raising the level of provision of services, adhering to quality and time standards, and facilitating procedures for investors and the public.

Raising the level of compliance with applicable international standards in relation to risk management

The SDC developed and amended its organizational structure in a way that takes into account the creation of an organizational unit concerned with risk management. This unit is concerned with developing risk management policies and methodologies according to the International standards and best practices in this field and following up its implementation. In addition to introducing the Investor Affairs Department took over the operation of the transfer of the ownership of securities excluded from trading and transfers of non-traded securities, and managing and organizing the SDC's relationship with the public and executing all transactions of issuing ownership notices of deposited securities and statements of the securities accounts in addition to provide services for updating data, subscribing to electronic services, reception, and answering all public inquiries.

Developing and raising the efficiency of security and data protection systems (Cybersecurity Measurements)

The SDC signed a memorandum of understanding with the National Center for Cybersecurity to enhance the system of security and protection of the electronic environment at the SDC to benefit from their services in enhancing and increasing the efficiency of procedures for maintaining the security, integrity, availability of information and reducing the risks of piracy and penetration, in keeping with the latest technical developments in these fields. The SDC benefited from information security and protection services (SIEM & SOC Solution) as a system for monitoring the SDC's electronic systems and various networks, moment by moment, and recording and analyzing events through the National Center for Cyber Security.

The SDC also completed the operation of the Active Directory central connectivity and control system by adopting a central control system for all devices connected to the Center's network, including servers, employee devices, and any device located within the Center's internal network. The process of linking and integrating the various systems will be faster, easier and centralized, which will lead to increase security and protection of the SDC's network.

Signing of Memorandum of Understanding between SDC and Integrity and Anti-Corruption Commission

The SDC signed a memorandum of understanding with the Commission with the aim of organizing and adopting a technical mechanism to request the information that the Commission needs for the purposes of carrying out the functional and investigative tasks, duties, and powers assigned to it under the provisions of the Integrity and Anti-Corruption Law, where the SDC responds in an immediate and electronic form by relying on a technical mechanism dedicated to this purpose, which is developed in the context of digital transformation systems, which contributes to shortening the time and effort required to obtain this information and in a way that ensures the preservation of its confidentiality.

Training

A number of employees participated in the several training courses related to the digital transformation, cybersecurity, risk and crisis management, anti-drugs, development of supervisory positions, decision-making, dealing with service receipts, functional tact skills, strategic planning, managing the social media in addition to many training programs specialized in qualifying employees of the Information Technology Department.

With regard to the cybersecurity, the SDC participated in the first Jordan Cybersecurity Summit under the patronage of His Royal Highness Prince Hussein bin Abdullah II, the Crown Prince. This participation comes as part of the SDC's commitment to enhancing cybersecurity and promoting dialogue about the importance of this vital aspect in the modern digital world.

The National Center for Cybersecurity, in cooperation with the Jordan Securities Commission, organized empowerment workshops to implement the Jordanian national framework for cybersecurity for capital market institutions represented by the Jordan Securities Commission, the Securities Depository Center, and the Amman Stock Exchange, to qualify staff in capital market institutions to deal with the requirements of implementing this framework, which It aims to create an effective system to protect the Kingdom from cyberspace threats and confront them efficiently and effectively in a way that ensures the sustainability of work and maintains national security and the safety of people, property and information.

The SDC also participated in workshops outside Jordan in meetings of the international organizations of the Africa & Middle East Depositories Association (AMEDA), the Federation of Euro-Asian Stock Exchange (FEAS), and the Association of National Numbering Agencies (ANNA), and participated in the training workshop for the Association of Eurasian Central Securities Depositories (AECSD) and the Federation of Euro-Asian Stock Exchange (FEAS).

Local Delegations

The SDC presented many educational lectures locally to many government and public institutions to had general view about the SDC's tasks and developments in its electronic systems and applications.

International Relations

On the external relations level, the SDC is highly concern to participate in the meetings and conferences that were held in 2023:

- The 38th meeting of the Africa and Middle East Depositories Association (AMEDA) which was held in remotely on 19/12/2023.
- The 38th meeting of the Federation of Euro-Asian Stock Exchange (FEAS), which was held remotely on 14/11/2023.
- The 37th meeting of the Federation of Euro-Asian Stock Exchange (FEAS), which was held in Yerevan- Armenia on 14-16/06/2023.
- The ANNA ordinary general meeting which was held in London - UK on 14-16/06/2023.

To enhance the SDC's approach to strengthen the ties of cooperation and communication with the Arab capital markets, the SDC received delegation from Iraqi Securities Commission with the aim of reviewing the experience of the SDC in the field of registering, depositing, safe-keeping and transferring ownership of securities, and clearing and settlement operations.

The SDC also received many global custodians as part of the continuous Market Due Diligence visits that are conducted on behalf of their clients to discuss issues regarding the market, the regulations, and any changes or plans for future development.



SDC's Performance

SDC's Performance

During the last year, the SDC continued executing the responsibilities assigned to it by virtue of the Securities Law, the SDC's by-laws and instructions that are issued pursuant to it, also continued its efforts for serving and developing the services specifically for its members and generally for investors and those who are interested in the Jordan Capital Market, following is a brief overview of the SDC's performance in 2023.

Registration of Securities

Securities are registered at the SDC pursuant to the Securities Law and the Instructions of Registration, Deposit and Settlement of Securities for the year 2017.

During the year 2023, the SDC registered and redeemed a number of government bonds, corporate bonds, and sukuk.

Registered government securities, corporate bonds, and Islamic Sukuk

Issuer Name	Security Type	Security Category	Currency	No. of Issues	Total Value (million)
Government of the Hashemite Kingdom of Jordan	Bonds	Treasury Bonds	JOD	28	4,000.0
	Bonds	Treasury Bonds	USD	5	1,770.0
	Bonds	Treasury Bills	JOD	4	350.0
	Bonds	Treasury Bills	USD	5	1,225.0
Jordan Kuwait Bank	Bonds	Corporate Bonds	JOD	1	25.2
	Bonds	Corporate Bonds	USD	4	140.0
Bank Al Etihad	Bonds	Corporate Bonds	USD	1	100.0
Jordan Mortgage Refinance	Bonds	Corporate Bonds	JOD	3	16.5
National Electric Power	Bonds	Public Entity Bills	JOD	4	275.0
	Islamic Sukuk	Murabaha	JOD	5	555.0

Redeemed government securities, corporate bonds, and Islamic Sukuk

Issuer Name	Security Type	Security Category	Currency	No. of Issues	Total Value (million)
Government of the Hashemite Kingdom of Jordan	Bonds	Treasury Bonds	JOD	30	2,825.0
	Bonds	Treasury Bonds	USD	1	700.0
	Bonds	Treasury Bills	JOD	11	875.0
	Bonds	Treasury Bills	USD	4	1,180.0
Jordan Mortgage Refinance	Bonds	Corporate Bonds	JOD	16	126.0
Jordan Trade Facilities	Bonds	Corporate Bonds	JOD	1	6.5
National Electric Power	Bonds	Public Entity Bills	JOD	2	125.0
	Islamic Sukuk	Murabaha	JOD	1	150.0

The SDC also executes the necessary changes to the registered securities and updates the shareholders' registers as a result of different corporate actions.

The SDC registered the increase shares for (12) public shareholding companies, with a total of (469) million shares, and the decrease the capital of (10) public shareholding companies, with a total of (285) million shares.

Companies increased their capital in JOD

Increase mechanism	Company name	Amount of increase	Capital before increase	Capital after increase
Capitalization	Bank Al Etihad	40,000,000	160,000,000	200,000,000
	Euro Arab Insurance Group	1,000,000	8,000,000	9,000,000
	The Jordanian Electric Power	3,529,286	88,232,158	91,761,444
	Irbid District Electricity	4,000,000	10,000,000	14,000,000
	National Portfolio Securities	650,000	3,600,000	4,250,000
	Electricity Distribution	2,000,000	12,000,000	14,000,000
	Shira' Real Estate Development & Investment	4,967,078	10,569,457	15,536,535
	Jordan Phosphate Mines	165,000,000	82,500,000	247,500,000
Private Subscription	Jordan Himmeh Mineral	5,452,202	2,000,000	7,452,202
	Alia-the Royal Jordanian Airlines	240,000,000	123,627,470	363,627,470
	The Arab Pesticides & Veterinary Drugs Manufacturing	1,500,000	15,000,000	16,500,000
	South Electronics	560,000	2,120,410	2,680,410
Total		468,658,566	517,649,495	986,308,061

Companies decreased their capital in JOD

Decrease mechanism	Company name	Amount of decrease	Capital before decrease	Capital after decrease
Redemption of the accumulated losses	Zara Investment (holding)	5,000,000	150,000,000	145,000,000
	Sura Development & Investment	3,817,879	7,000,000	3,182,121
	Jordan Masaken for Land & Industrial Development Projects	3,804,900	12,240,000	8,435,100
	United Iron & Steel Manufacturing	31,165,176	32,165,176	1,000,000
Excess cash distributed to the shareholders	Central Electricity Generating	27,000,000	30,000,000	3,000,000
	Almehanya For Real Estate Investments & Housing	2,059,904	29,427,200	27,367,296
Redemption part of the accumulated losses	Alia-the Royal Jordanian Airlines	200,983,000	324,610,470	123,627,470
	Future Arab Investment	4,931,051	24,931,051	20,000,000
	Al-rakaez Investment	1,500,000	12,500,000	11,000,000
	Middle East Pharmaceutical & Chemical Industries & Medical Appliances	5,000,000	6,250,583	1,250,583
	Total	285,261,910	629,124,480	343,862,570

Since membership in the SDC is mandatory for public shareholding companies, brokers and custodians, the SDC terminated the membership of (3) public shareholding companies during the year 2023. Thus, the total number of public shareholding companies was (226) companies as of 31/12/2023.

On the other hand, the SDC terminated the membership of (3) brokerage companies, thus, the total number of brokers at the SDC was (54) companies including (7) public shareholding companies. The SDC also terminated the membership of (2) custodial company. Thus, the total number of custodians was (16) companies including (14) public shareholding companies and (2) brokerage companies. Accordingly the total number of the SDC members is (273) of public shareholding companies, brokers and custodians as of 31/12/2023.

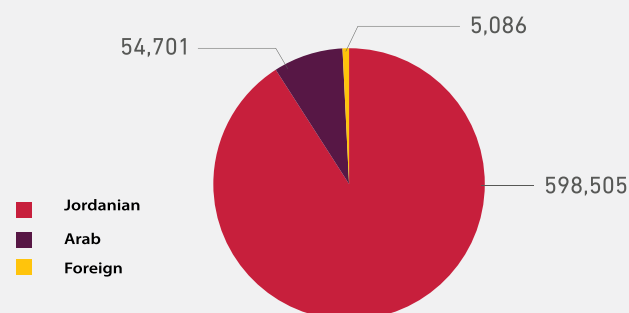
Names of the Members that are terminated its membership

#	Type of member	Name of member	The reason of membership termination at the SDC
1	Public shareholding companies	Al Safwa Insurance	Compulsory Liquidation
		Emmar Investments & Real Estate Development	Transformation of legal form to a Limited Liability Company
		Arab East Investment For Real Estate	Transformation of legal form to a Limited Liability Company
2	Broker	Seldon Investment Limited (Jordan)	ASE Membership Deleted
		Hantec Markets Limited Jordan	ASE Membership Deleted
		Equiti Group Limited Jordan	ASE Membership Deleted
3	Custodian	National Bank of Kuwait Jordan	License deleted
		Standard Chartered Bank	License deleted

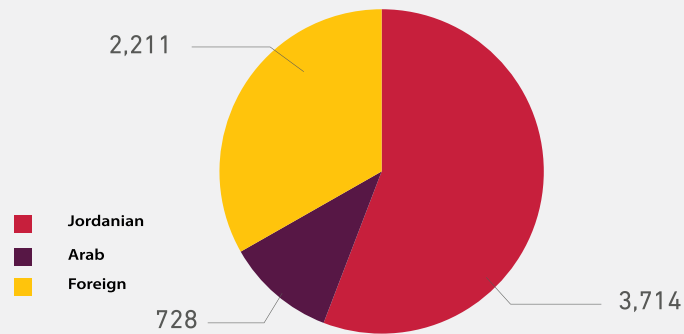
Investor Identification and Account Set-Up

During the year 2023, the SDC defined (10,981) investors, the total number of investors identified on the SDC's database was (666,102) investors, of which (603,275) Jordanians, (55,511) Arabs and (7,316) foreign as of 31/12/2023.

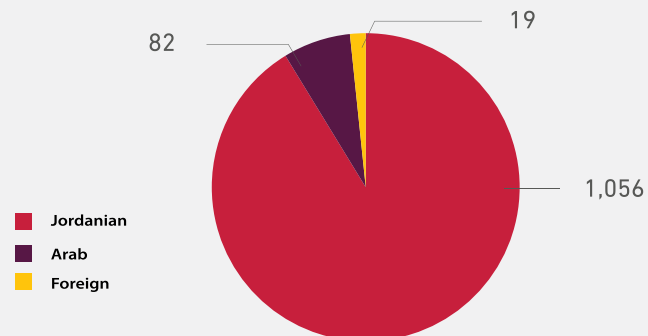
Number of Individual investors by nationality classification



Number of Juridical investors by nationality classification



Number of Joint investors by nationality classification



Depositing Securities and Balance Queries

The number of registers of securities deposited at the SDC was (321) registers as of 31/12/2023 of which (256) shares, (54) bonds and (11) Islamic Sukuk.

The SDC also issued (3,472) ownership notices in securities ownership notices that show their ownership balance in securities between different accounts for a specific date, in addition to issuing (274) an accounts statements that show all transactions executed on his securities during a period of time.

Analysis of registered ownership

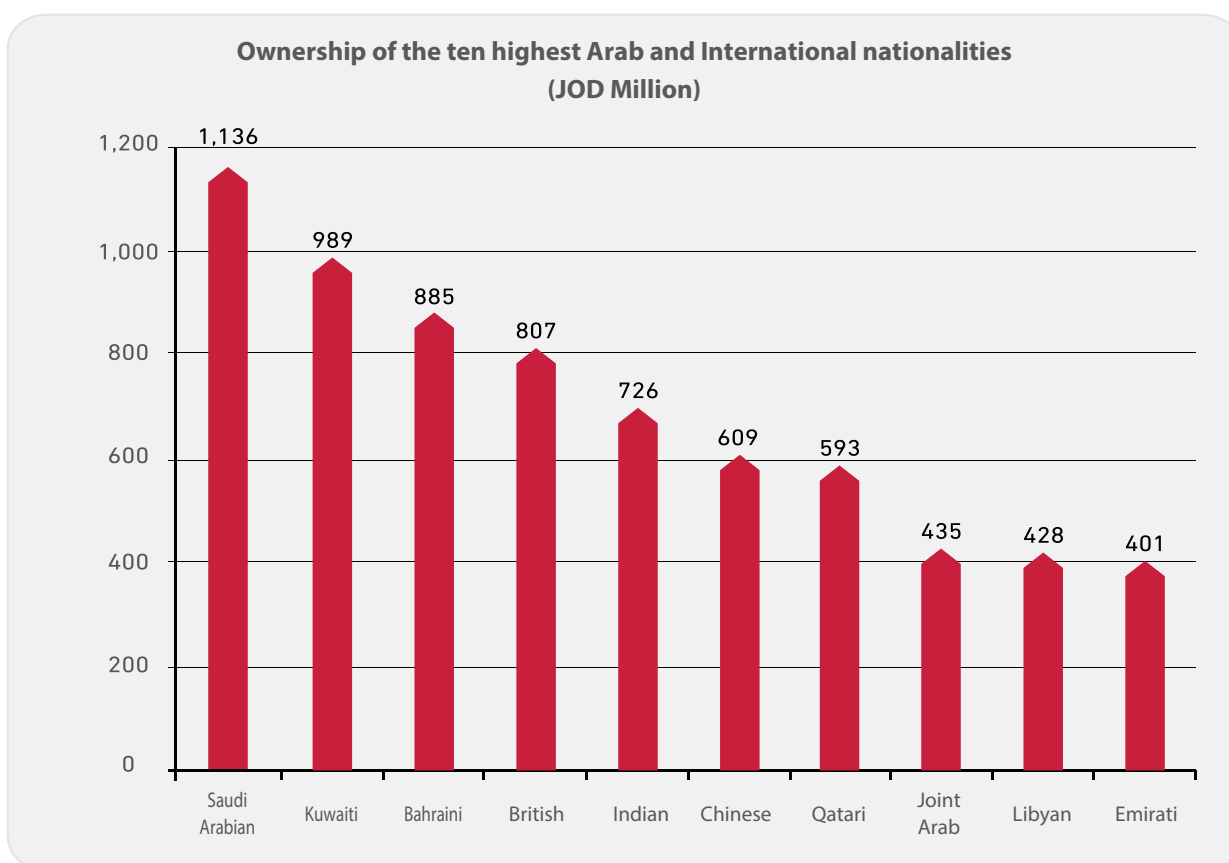
Status	Deposited	Non-deposited	Deposit %	Total
No. Owners	496,395	68,260	87.91	564,655
No. Securities	7,549,896,888	33,002,822	99.56	7,582,899,710
Total Value (JOD)	20,391,271,959.04	107,289,296.33	99.48	20,498,561,255.37

Analysis of Deposited Ownership

Investor Type	Investor Category	Ownerships		Investors		Securities		Total Value	
		No.	%	No.	%	No.	%	Amount in JOD	%
Natural	Males	283,553	57.122	136,511	55.015	2,149,481,953	28.470	3,474,382,106.59	17.039
	Females	208,066	41.915	109,912	44.296	590,973,566	7.828	1,208,930,500.01	5.929
Total		491,619	99.037	246,423	99.311	2,740,455,519	36.298	4,683,312,606.60	22.968
Juridical	Companies	3,708	0.747	1,298	0.523	3,937,236,575	52.150	12,032,965,449.11	59.010
	Mutual Funds	389	0.078	87	0.035	45,331,332	0.600	198,328,315.29	0.973
	Institutions	216	0.044	35	0.014	651,990,951	8.636	2,446,665,463.93	11.999
	Governments	77	0.016	12	0.005	158,196,348	2.095	954,490,189.60	4.681
	Organizations	150	0.030	74	0.030	5,469,289	0.072	18,825,717.24	0.092
	Municipalities	31	0.006	29	0.012	8,097,668	0.107	43,729,076.84	0.214
	Waqf	13	0.003	7	0.003	824,910	0.011	3,523,305.30	0.017
	Associations	11	0.002	4	0.002	1,216,144	0.016	4,873,803.45	0.024
	Religious Sects	10	0.002	5	0.002	867,855	0.011	3,878,782.75	0.019
	Total		4,605	0.928	1,551	0.626	4,809,231,072	63.698	15,707,280,103.51
Joint	Joint	171	0.034	159	0.064	210,297	0.003	679,248.93	0.003
Deposited Grand Total		1,489,185	100	744,399	100	22,649,690,664	100	61,173,815,877.12	100

Ownership of the ten highest Arab and International nationalities

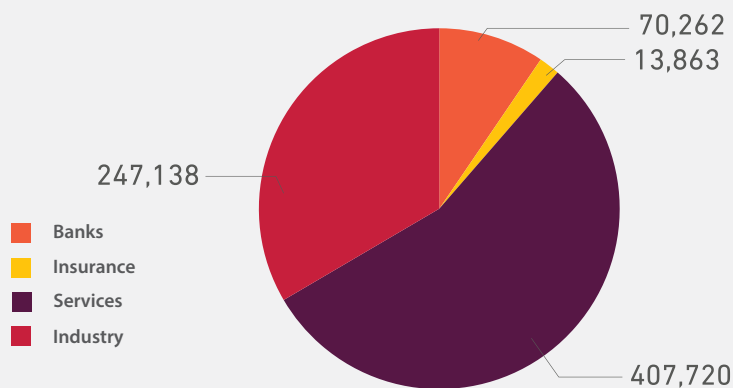
The number of securities registered at the SDC is (7.6) billion shares with a total value of (JOD 20.5) billion in which the ownership of Jordanians recorded the first rank of approximately (5.1) billion shares with a total value of approximately (JOD 10.9) billion. The value of ownership for the top ten non-Jordanian nationalities in the Jordanian capital market is approximately (1.7) billion shares, with a total value of (JOD 7) billion and the chart below shows ownership of the ten highest non-Jordanian nationalities in terms of total value.



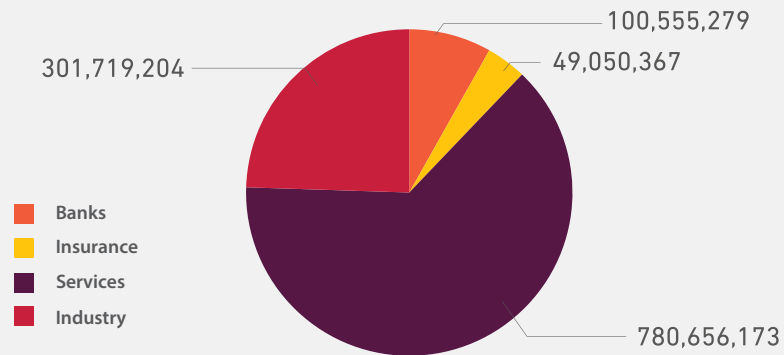
Clearing and Settlement

The SDC applied clearing and settlement measures for trading contracts executed at the ASE on the basis of Delivery versus Payment (DvP) where delivery of sold securities is against payment of funds. The number of electronic trading contracts that has been subjected to electronic clearing and settlement operations were (737,253) contracts where (1.2) billion shares were transferred with a value of (1.5 JOD) billion. Also, the total amounts received and paid through the settlement account of the SDC at the Central Bank of Jordan (CBJ) were (JOD 391) million. Financial settlements between brokers and custodians are conducted through the SDC by money transfers from the brokers' and custodians' accounts to SDC Settlement Account at the Settlement Bank. Consequently, the SDC transfers those funds to the brokers and custodians who should receive funds. The Central Bank of Jordan was chosen as the Settlement Bank. The SDC has joined the Society for Worldwide Interbank Financial Telecommunication (SWIFT), thus, the SDC has become a direct member for Real Time Gross Settlement System (RTGS-JO).

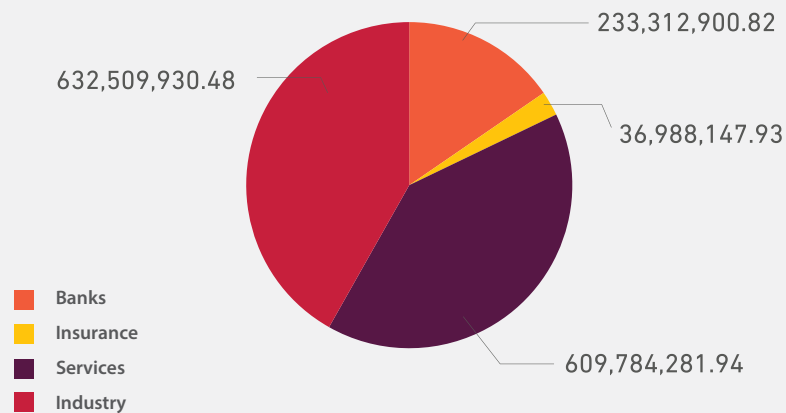
The Number of Executed Contracts Classified by Sector



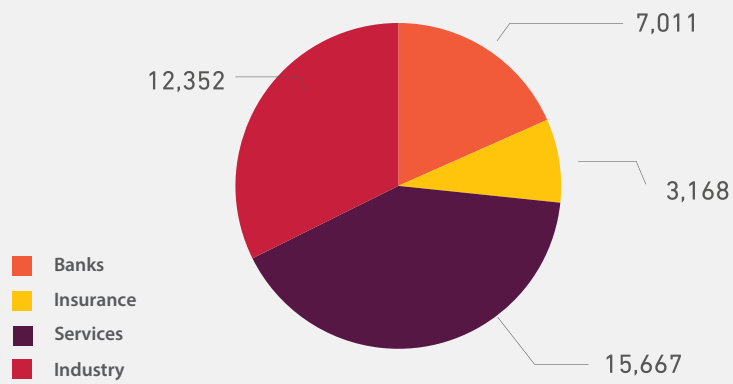
The Number of Traded Securities Classified by Sector



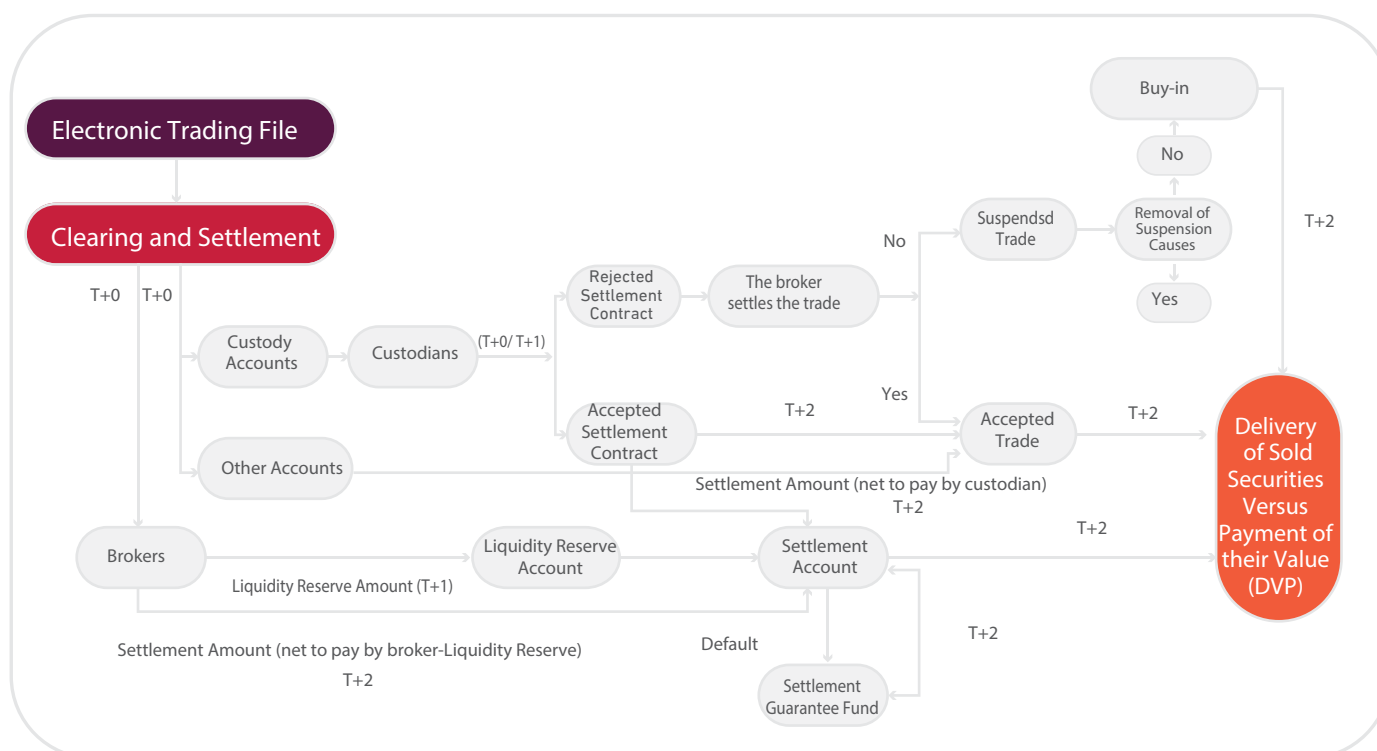
Total value of traded securities classified by Sector



The Number of Investors Classified by Sector



Delivery versus Payment



Settlements transactions in JOD

	Description	2023
	Amounts Received	390,941,407.69
1	Liquidity Reserve (T+1)	150,774,314.72
2	Settlement Amount (T+2)	240,167,092.97
	Amounts Paid	390,941,407.69
1	Settlement Payments (T+2)	389,369,487.14
2	Suspended Contracts (T+4)	1,571,920.55

Settlement Guarantee Fund

The Settlement Guarantee Fund was established by virtue of Article (88) of the Securities Law No. (18) of 2017. Its objectives include:

1. Covering the cash deficit of a fund member in connection with his purchases of securities.
2. Covering the deficits in the securities account of a fund member in connection with his sales of securities in the market.

The Settlement Guarantee Fund (SGF) has a legal personality with a financial autonomy and is managed by the SDC's Board of Directors and the Chief Executive Officer. Its members include financial brokers and custodians.

The contributions of the financial brokers (57) brokers of the Fund are divided into cash contributions and bank guarantees. The contributions are calculated based on specific formulas and are periodically re-calculated.

Settlement Guarantee Fund contributions provided by financial brokers in JOD

Payment Orders	5,283,000.00
Cash Contributions	2,125,000.00
Total	7,408,000.00

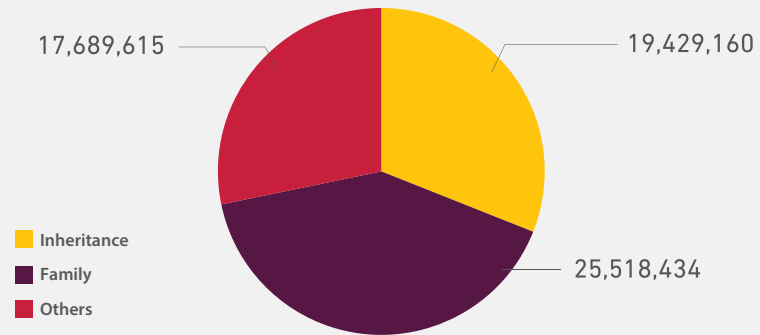
Whereas the custodians of banks (14) custodians provided the SDC with standing instructions upon agreement with the Central Bank of Jordan (CBJ) to transfer the defaulted amount from their accounts with CBJ to the SDC upon the request of the SDC, while non-bank custodians provided bank guarantees to the SDC with a value of JOD 400,000.

Transfers Exempted from Trading

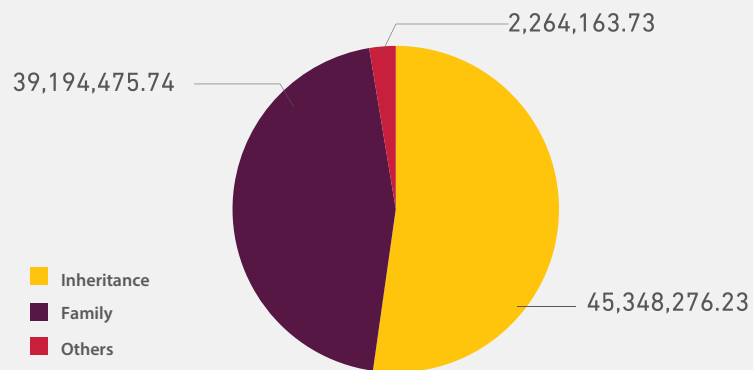
The SDC continues completing inheritance transfers through the transfers of ownerships of securities registered in the name of deceased to his lawful inheritors, the SDC conducts the family transfers of the ownership of registered securities between ascendants and descendants and between siblings or between half-siblings and between spouses, etc. In addition to carrying out transfers of ownership of non-traded securities and other transfers.



Number of securities exempted from trading



Total value of transactions exempted from trading



Ownership Restrictions

The SDC, is the authorized entity, placed and released lien restrictions on deposited securities based on the decisions issued by the official competent authorities.

As well as, the SDC is the only authorized entity, to place and release pledge on the deposited securities based on the pledge applications that are duly submitted by pledger and pledgee.

Also, the SDC provides the service of freezing securities where the investors can freeze their shares in the SDC's central registry; thus, preventing any SDC member from disposal of the securities in any form.

Ownership restrictions executed on deposited securities

Transaction Type	Description	2023
Pledge	No. of Transactions	44
	No. of Securities	55,908,168
Release of Pledge	No. of Transactions	250
	No. of Securities	91,580,946
Lien	No. of Transactions	6,817
	No. of Securities	226,096,872
Release of Lien	No. of Transactions	4,722
	No. of Securities	48,187,480
Freeze	No. of Transactions	2
	No. of Securities	35,624
Unfreeze	No. of Transactions	1
	No. of Securities	2,570,985

Strategic Plan

Strategic Plan 2024 -2026

Within the strategic plan 2024-2026, the SDC works to achieve its future goals, contribute to the implementation of projects related to royal visions, achieve sectoral and national goals, and activate its role in serving the Jordanian capital market and attracting investors, by raising the level of commitment to the international standards and best practices, in addition to expanding the segment of additional services provided to investors. The following are the most important projects included in the future plan:

- Developing SDC website.
- Self –Assessment Report according to the Disclosure framework and Assessment Methodology against Principles for Financial Infrastructures issued by IOSCO and BIS.
- ISO accreditation certificate for the SRORPIO system.
- Developing the infrastructure for information security devices (Cybersecurity).
- Strengthening the SDC's role in international and regional organizations related to the securities industry.
- Implementing a mechanism for securities lending and borrowing and short selling, to enhance the role of market makers.
- A specialized system for managing the government securities registry.
- Launching the second phase of the e-Portfolio service and text messaging service (SMS).

Financial Statements

Securities Depository Center

Legal Entity with Financial and Administrative Independence
Amman-The Hashemite Kingdom of Jordan

Financial Statements and
Independent Auditor's Report
for the year ended December 31, 2023

Securities Depository Center

Legal Entity with Financial and Administrative Independence

Amman-The Hashemite Kingdom of Jordan

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Independent auditor's report

Securities Depository Center Legal Entity with Financial and Administrative Independence Amman - The Hashemite Kingdom of Jordan

Opinion

We have audited the financial statements of Securities Depository Center (Legal entity with financial and administrative independence), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenses, changes in reserves and cash flows for the year then ended, and notes to the financial statements comprising significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Center in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We would like to draw your attention to note no.(8) of the financial statements, among the item of property and equipment there is a land and a building with a cost of JD 1,851,383 which represents the 25% share of the securities deposit center in the ownership of a joint building comprising the Jordan Security Commission, Amman Stock Exchange and the Security Depository Center, the building and the land in which the building is located are registered in the name of the Jordan Security Commission.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Center's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Center to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

The Center has proper accounting records which are, in all material respects, consistent with the accompanying financial statements, accordingly, we recommend to approve these financial statements by the general assembly.

Talal Abu-Ghazaleh & Co. International
Aziz Abdelkader
(License # 867)
Amman on, March 18, 2024



Securities Depository Center

Legal Entity With Financial & Administrative Independence

Amman-The Hashemite Kingdom of Jordan

Statement of financial position as at December 31, 2023

	Notes	2023	2022
		JD	JD
ASSETS			
Current Assets			
Cash and cash equivalents	3	6,202,519	6,330,688
Accounts receivable and other debit balances	4	121,161	144,491
Total Current Assets		6,323,680	6,475,179
Non-current Assets			
Center's employees housing fund	5	2,658,177	2,658,177
Payments on project under construction	6	-	104,578
Intangible assets	7	97	5,466
Property and equipment	8	555,205	195,442
Total Non-current Assets		3,213,479	2,963,663
TOTAL ASSETS		9,537,159	9,438,842
LIABILITIES AND RESERVES			
Current Liabilities			
Account payable and other credit balances	9	1,237,839	1,436,838
Related parties payable	10	47,779	39,546
Deferred revenues		272	382
Total Liabilities		1,285,890	1,476,766
Reserves			
General reserves		502,570	637,957
In exchange for property and equipment (Capital)		5,090,522	4,665,942
In exchange for the center's employees housing fund payable		2,658,177	2,658,177
Total Reserves		8,251,269	7,962,076
TOTAL LIABILITIES AND RESERVES		9,537,159	9,438,842

The accompanying note form part of these financial statements

Securities Depository Center

Legal Entity With Financial & Administrative Independence

Amman-The Hashemite Kingdom of Jordan

Statement of revenues and expenses for the year ended December 31, 2023

	Notes	2023	2022
		JD	JD
Revenues			
Securities ownership transfer commission	11	1,370,509	2,248,349
Membership, subscriptions, registration of bonds and corporate bonds fees	12	1,595,436	1,615,805
Charges, fees and fines	13	39,142	31,811
Other revenues, net	14	79,620	205,154
Total revenues		3,084,707	4,101,119
Administrative expenses	15	(2,042,925)	(2,044,812)
Future liabilities and tender expenses		(340,000)	(120,000)
Surplus		701,782	1,936,307

The accompanying note form part of these financial statements

Securities Depository Center

Legal Entity With Financial & Administrative Independence

Amman-The Hashemite Kingdom of Jordan

Statement of changes in reserves for the year ended December 31, 2023

	General reserve	In exchange for property and equipment (Capital)	In exchange for the center's employees housing fund	Total
	JD	JD	JD	JD
Balance as at January 1, 2022	2,081,183	4,618,774	2,658,177	9,358,134
Transferred from in exchange for property and equipment to general reserve	1,650	(1,650)	-	-
Transferred from future liabilities and tenders reserve to in exchange for property and equipment	36,750	48,818	-	85,568
Transferred to Ministry of Finance	(3,417,933)	-	-	(3,417,933)
Surplus	1,936,307	-	-	1,936,307
Balance as at December 31, 2022	637,957	4,665,942	2,658,177	7,962,076
Transferred from in exchange for property and equipment to general reserve	24,946	(24,946)	-	-
Transferred from future liabilities and tenders reserve to in exchange for property and equipment	75,842	449,526	-	525,368
Transferred to Ministry of Finance	(937,957)	-	-	(937,957)
Surplus	701,782	-	-	701,782
Balance as at December 31, 2023	502,570	5,090,522	2,658,177	8,251,269

The accompanying note form part of these financial statements

Securities Depository Center

Legal Entity With Financial & Administrative Independence

Amman-The Hashemite Kingdom of Jordan

Statement of cash flows for the year ended December 31, 2023

	2023	2022
	JD	JD
Cash Flows From Operating Activities		
Surplus	701,782	1,936,307
Adjustments for:		
Expected credit losses on brokers and members receivables	191,038	182,931
Recovery of provisions	(53,710)	(142,180)
Amortization	5,369	71,439
Depreciation	89,464	18,808
Gains on sale of property and equipment	(1,081)	(49)
Future liabilities and tender expenses	340,000	120,000
Transferred from deferred revenues	(110)	(111)
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	(113,998)	(52,339)
Related party receivable	-	84
North Development Company receivable	-	323,250
Account payable and other credit balances	(13,631)	6,214
Related parties payable	8,233	10,316
Net cash from operating activities	1,153,356	2,474,670
Cash Flows From Investing Activities		
Purchase of intangible assets	-	(31,440)
Payments on project under construction	104,458	(72,456)
Purchase of property and equipment	(449,526)	(17,377)
Proceed from sale of property and equipment	1,380	50
Net cash from investing activities	(343,568)	(121,223)
Cash Flows From Financing Activities		
Transferred to Ministry of Finance	(937,957)	(3,417,933)
Net cash from financing activities	(937,957)	(3,417,933)
Net change in cash and cash equivalents	(128,169)	(1,064,486)
Cash and cash equivalents - beginning of year	6,330,688	7,395,174
Cash and cash equivalents - end of year	6,202,519	6,330,688
Information about non-cash transaction		
Transferred from tender and future liabilities to property and equipment (Capital)	157,629	-
Transferred from tender and future liabilities to general reserve	449,526	48,818
Transferred from projects under construction to property and equipment	75,842	36,750

The accompanying note form part of these financial statements

Securities Depository Center

Legal Entity With Financial & Administrative Independence

Amman-The Hashemite Kingdom of Jordan

Notes to the Financial Statements

1. Legal status and activities

- The SDC was established on May 15, 1999 as a legal entity with financial and administrative independence by virtue of the provisional securities law No (23) for the year 1997 which was amended by virtue of the provisional securities law No (76) For the year 2002.
- The SDC is nonprofit and aims to support the investors trust in securities, and follow up their investments easily, and limit the risks related to settling of dealing process in the market.
- The SDC'S Board of Directors approved the financial statements in its session held on March 17, 2024.

2. Basis for preparation of financial statements and significant accountant policies

2-1 Basis for financial statement preparation

- **Financial statements preparation framework**

The financial statements have been prepared in accordance with International Financial Reporting Standards, issued by International Accounting Standard Board.

- **Measurement bases used in preparing the financial statements**

The financial statements have been prepared on the historical cost basis except for measurement of certain items at bases other than historical cost.

- **Functional and presentation currency**

The financial statements have been presented in Jordanian Dinar (JD) which is the functional currency of the entity.

2-2 Using of estimates

- When preparing of financial statements, management uses judgments, assessments and assumptions that affect applying the accounting policies and currying amounts of assets, liabilities, revenue and expenses. Actual result may differ from these estimates.
- Change in estimates are reviewed on a constant basis and shall be recognized in the period of the change, and future periods if the change affects them.
- For example, estimates may be required for expected credit losses, useful lives of depreciable assets, provisions, and any legal cases against the entity.

Securities Depository Center

Legal Entity With Financial & Administrative Independence

Amman-The Hashemite Kingdom of Jordan

2-3 Standards and Interpretations issued that became effective

Standard number or interpretation	Description	Effective date
IFRS (17) Insurance Contracts	IFRS (17) was issued in May 2017 as replacement for IFRS (4) Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of: <ul style="list-style-type: none"> • discounted probability-weighted cash flows • an explicit risk adjustment, and • A contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. 	January 1,2023 (deferred from January 1,2021)
Amendments to IAS (1) and IFRS Practice Statement (2)	The amendments to IAS (1) require entities to disclose their material rather than their significant accounting policies.	January 1, 2023.
Amendments to IAS (8)	The amendment to IAS (8) Accounting Policies, Changes in Accounting Estimates and Errors The distinction between accounting policies and changes in accounting estimates is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	January 1, 2023.
Amendments to IAS (12)	The amendments introduce an exception to the requirements in the standard that an entity does not recognize and does not disclose information about deferred tax assets and liabilities, an entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments	January 1,2023

Standards and Interpretations issued but not yet effective

Standard number or interpretation	Description	Effective date
IFRS (16) Leases	The amendment clarifies how a seller – lessee subsequently measures sale and lease back transaction.	January 1,2024
Amendments to IAS (1)	The amendments to Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date.	January 1, 2024 (Deferred from January 1, 2022).
Amendments to IAS (7) and IFRS (7) regarding supplier finance arrangements	Amendments require entities to provide qualitative and quantitative information about supplier finance arrangements.	January 1,2024

Securities Depository Center

Legal Entity With Financial & Administrative Independence

Amman-The Hashemite Kingdom of Jordan

2-4 Summary of significant accounting policies

- **Financial instruments**

Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

- **Financial assets**

- A financial asset is any asset that is:

- (a) Cash;
- (b) An equity instrument of another entity;
- (c) A contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.
- (d) A contract that will or may be settled in the entity's own equity instruments.

- **Financial liabilities**

A financial liability is any liability that is:

- (a) A contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
- (b) A contract that will or may be settled in the entity's own equity instruments.
- Financial liabilities are initially recognized at fair value less transaction costs, directly attributable to the acquisition or issue of those liabilities, except for the financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.
- After initial recognition, the entity measures all financial liabilities at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss which are measured at fair value and other determined financial liabilities which are not measured under amortized cost method.
- Financial liabilities at fair value through profit or loss are stated at fair value, with any resulting gain or loss from change in fair value is recognized through profit or loss.

- **Trade payables and accruals**

Trade payables and accruals are liabilities to pay for goods or services that have been received or supplied and have been either invoiced or formally agreed with the suppliers or not.

- **Offsetting financial instruments**

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, an entity currently has a legally enforceable right to set off amounts and intends either to settle in a net basis, or through realize the asset and settle the liability simultaneously.

- **Cash and cash equivalents**

Cash comprises cash on hand, current accounts and short term deposits at banks with a maturity date of three months or less, which are subject to an insignificant risk of changes in value.

- **Trade receivables**

- Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- Trade receivables are stated at invoices (claims) amount net of allowance for expected credit losses which represents the collective impairment of receivables.

- **Related parties**

- Transactions with related parties represent transfer of resources, services, or obligations between related parties.
- Terms and conditions relating to related party transactions are approved by management.

- **Other intangible assets**

- intangible assets are identifiable non-monetary assets without physical substance.
- intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses.
- Acquisition costs comprise the purchase price and other costs directly attributable to preparing the assets for their intended use. Intangible asset acquired through business combination is recognized at its cost, being its fair value at the acquisition date, separately from goodwill.
- Amortization charge is recognized as loss, on a straight-line basis over the following useful lives of intangible assets:

Category	Amortization rate %
Software	50

- The estimated useful lives are reviewed at each financial year-end, with the effect of any changes in estimate being accounted for on a prospective basis.
- The carrying values of intangible assets are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairment loss is calculated in accordance with impairment of assets policy.

• Property and equipment

- Property and equipment are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.
- After initial recognition, the property and equipment are carried, in the statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment. Land is not depreciated.
- The depreciation charge for each period is an expense. Depreciation is calculated on a straight line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed over the estimated useful life of the assets using the following rates :

Category	Depreciation rate %
Computers	35
Office equipment	20
Building	5
Furniture	20
Vehicles	15

- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of property and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent de recognition (sale or retirement) of the property and equipment, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.

- **Impairment of non-financial assets**

- At each statement of financial position date, management reviews the carrying amounts of its non-financial assets (property, equipment and investment property) to determine whether there is any indication that those assets have been impaired.
- If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset.
- For the purpose of impairment valuation, assets are grouped at the lower level that have cash flow independently (cash generating unit), previous impairment for non-financial assets (excluding goodwill) is reviewed for the possibility of reversal at the date of the financial statements.
- An impairment loss is recognized immediately as loss.
- Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately as income.

- **Provisions**

- Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date.
- Provisions reviewed and adjusted at each statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income.
- If the entity expected to be reimbursed for a part or full provision, the reimbursement shall be recognized within assets, when it is virtually certain and its value can be measured reliably.
- In the statement of comprehensive income, the expense relating to a provision may be presented net of the amount recognized for reimbursement.
- Where the effect of the time value of money is material, provisions are discounted by using a currently pre-tax discount rate that reflect the risks specific to the liability, when using discount any increase in provision is recognized as a financial cost over time.

- **General reserve**

According to the bylaws of the Securities Depository Center for the year 2017 and issued based on the provisions of Article (76) of the Securities Law No. (18) for the year 2017, the center maintains a general reserve to record the net annual surplus of the center for each fiscal year.

- **Revenue recognition**

- Revenues are recognized based on consideration specified in contract with customer that expected to be received excluding amounts collected on behalf of third parties.
- Revenue is recognized when executing trading contracts for customers.

- **Dividends and Interest revenue**

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

- **Grants**

- Unrestricted grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognized in profit or loss in the period in which they become receivable.
- Restricted grants are recognized as income on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate.
- Grants whose primary condition is that the entity should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the statement of financial position and transferred to profit and loss on a systematic and rational basis over the useful lives of the related assets.
- Government loans and other subsidies at a below – market rate of interest is treated as a government grant.

- **Definition of a lease (lessee)**

The entity assesses at the commencement date of the lease agreement whether the contract is a lease or includes a lease agreement. And if the contract is in whole or in part transfer the right to control the use of a specific asset from one party to another for a specified period of time in exchange for a consideration, the entity recognizes the right-of-use assets and lease liability with the exception of low value and for short term leases (i.e. those with a lease term of 12 months or less) in which the entity recognizes the lease payments as operating expenses on either a straight-line basis over the lease term or another systematic basis is more representative of the time period to depreciate the economic benefits of the leased assets.

3. Cash and cash equivalents

	2023	2022
	JD	JD
Current account at Central Bank	6,151,812	6,330,688
Current account at bank	50,707	-
Total	6,202,519	6,330,688

4. Accounts receivable and other debit balances

	2023	2022
	JD	JD
Brokers and members receivables	1,218,856	1,081,528
Less: Allowance for expected credit losses on brokers and members receivables (*)	(1,218,856)	(1,081,528)
Net brokers and members receivables	-	-
Prepaid expenses	86,437	84,551
Other receivables	16,386	29,606
Prepayments to suppliers	9,379	19,577
Accrued revenues	6,157	7,955
Refundable deposits	2,132	2,132
Work advance	670	670
Total	121,161	144,491

(*) The movement of allowance for expected credit losses on brokers and members receivables during the year are as follows:

	2023	2022
	JD	JD
Balance - beginning of year	1,081,528	1,040,777
Provided during the year	191,038	182,931
Recovery of allowance for brokers and members receivables	(53,710)	(142,180)
Balance - end of year	1,218,856	1,081,528

5. Center's employees housing fund

The center's employee housing fund for Securities Depository was established by a decree of the Board of Commissioners on April 24, 2007.

6. Payments on projects under construction

	2023	2022
	JD	JD
Balance - beginning of year	104,578	32,121
Additions during the year	53,051	72,457
Transferred to property and equipment	(157,629)	-
Balance - end of year	-	104,578

7. Intangible assets

	Computer softwares
2023	JD
Cost	
Balance - beginning of year	999,492
Balance - end of year	999,492
Accumulated amortization	
Balance - beginning of year	994,026
Amortization	5,369
Balance - end of year	999,395
Net	97
2022	
Cost	
Balance - beginning of year	968,052
Additions	31,440
Balance - end of year	999,492
Accumulated amortization	
Balance - beginning of year	922,587
Amortization	71,439
Balance - end of year	994,026
Net	5,466

8. Property and equipment

	Land (*)	Computers	Office equipment	Building (*)	Furniture	Vehicles	Total
2023	JD	JD	JD	JD	JD	JD	JD
Cost							
Balance - beginning of year	152,916	1,323,856	258,315	1,633,861	147,017	150,486	3,666,451
Additions	-	203,396	45,856	34,480	8,165	-	291,897
Disposals	-	-	(24,946)	-	-	-	(24,946)
Transfers from project under construction	-	-	127,503	30,126	-	-	157,629
Balance - end of year	152,916	1,527,252	406,728	1,698,467	155,182	150,486	4,091,031
Accumulated depreciation	-						
Balance - beginning of year	-	1,312,850	228,838	1,633,860	146,041	149,420	3,471,009
Depreciation	-	45,780	39,937	2,459	1,048	240	89,464
Disposals	-	-	(24,647)	-	-	-	(24,647)
Balance - end of year	-	1,358,630	244,128	1,636,319	147,089	149,660	3,535,826
Net	152,916	168,622	162,600	62,148	8,093	826	555,205
2022							
Cost							
Balance - beginning of year	152,916	1,314,056	250,738	1,633,861	147,017	152,136	3,650,724
Additions	-	9,800	7,577	-	-	-	17,377
Disposals	-	-	-	-	-	(1,650)	(1,650)
Balance - end of year	152,916	1,323,856	258,315	1,633,861	147,017	150,486	3,666,451
Accumulated depreciation							
Balance - beginning of year	-	1,304,466	218,693	1,633,860	146,002	150,829	3,453,850
Depreciation	-	8,384	10,145	-	39	240	18,808
Disposals	-	-	-	-	-	(1,649)	(1,649)
Balance - end of year	-	1,312,850	228,838	1,633,860	146,041	149,420	3,471,009
Net	152,916	11,006	29,477	1	976	1,066	195,442

(*) The building and the land represents the Securities Depository Center share of 25% in a joint ownership of the building that accommodate the Jordan Securities Commission, Amman Stock Exchange and Securities Depository Center. Knowing that the building and the land which the building is built on is registered in the Jordan Securities Commission name in accordance with the Center's Board Decision No. 31/2019 as of May 14, 2019.

9. Account payable and other credit balances

	2023	2022
	JD	JD
Tenders and future liabilities provision (*)	1,109,124	1,294,492
Accrued expenses	40,628	57,989
Unearned revenues	38,734	28,534
Accrued Board of Directors remunerations	20,524	22,563
Accounts payable	16,500	24,121
Cash guarantees	8,497	6,250
Employees deposits	2,737	2,852
Income and sales tax deposits	1,083	-
Other deposits	12	37
Total	1,237,839	1,436,838

(*) Following is the movement of tenders and future liabilities provision during the year:

	2023	2022
	JD	JD
Balance - beginning of year	1,294,492	1,260,060
Transferred to in exchange for property and equipment (Capital)	(449,526)	(48,818)
Transferred to general reserve	(75,842)	(36,750)
Provided during the year	340,000	120,000
Balance - end of year	1,109,124	1,294,492

10. Related parties payable

	2023	2022
	JD	JD
Amman Stock Exchange	31,886	10,265
Jordan Securities Commission	15,893	29,281
Total	47,779	39,546

11. Securities ownership transfer commission

	2023	2022
	JD	JD
Securities traded in the market (*)	1,209,836	1,596,543
Securities excluded from trading (**)	160,673	651,806
Total	1,370,509	2,248,349

(*)The center collects a trading commission for transfer of ownership of the securities traded in the market at the rate of (0.0004) of the market value of the securities and from each party of the contract.

(**) The Center collects a trading commission for transferring the ownership of the securities of the transactions excluded from trading through the market at the rate of (0.002) of the market value and from one party, with a minimum of 250 fils, in any of the following cases:

- Family transfers that take place between ascendants and descendants, between brothers, and between spouses.
- Securities gift to religious, charitable or social entities registered with the official authorities.
- Division of the securities jointly owned.

12. Membership, subscriptions, registration of bonds, corporate bonds fees

	2023	2022
	JD	JD
Annual subscriptions and membership fees (*)	1,421,603	1,452,221
Registration of bonds fees (**)	137,583	142,751
Registration of islamic instrument fees (***)	36,250	20,833
Total	1,595,436	1,615,805

(*)The Center collects from its members annual subscription fees as follows:

- (500) dinars from the broker.
- (500) dinars from the custodian.
- (0.0005) dinars of the subscribed capital with a minimum of (1,250) JD and a maximum of (10,000) JD from public shareholding companies and private shareholding companies.

(**) The center collects annual fees for bonds and loans registration of (500) JD for each issue.

(***) The center collects annual fees for the registration of Islamic financing instruments at a rate of (0.0003) JD of the nominal value of each issue, with a minimum of (1,000) JD and a maximum of (5,000) JD.

13. Charges, fees and fines

	2023	2022
	JD	JD
Transfer and open accounts fees and brokers fines	12,387	8,447
Security issuer fees	8,650	4,205
Direct connection fees	7,700	8,500
Security owner services fees	7,448	7,533
Bank transfer fees	2,957	3,126
Total	39,142	31,811

14. Other revenues, net

	2023	2022
	JD	JD
Recovery of provisions	53,710	178,929
Management allowance of Settlement Guarantee Fund (*)	22,200	24,300
Sale of tenders copies and tender delay execution fines	1,450	1,350
Other	1,179	526
Gains on sale of property and equipment	1,081	49
Total	79,620	205,154

(*) This amount shall be calculated in the basis of article No. (7/B) of the bylaws of Settlement Guarantee Fund's for the year 2017 to compensate the Center for administrative expenses incurred by the Center on behalf of Settlement Guarantee Fund annually for an amount equal to the proceeds of membership fees collected from the Fund members after subtracting the administrative expenses.

15. Administrative expenses

	2023	2022
	JD	JD
Salaries, wages and related benefits	1,048,268	1,043,462
Maintenance	290,258	230,114
Expected credit losses on brokers and members receivables	191,037	182,931
Social security contribution	122,230	122,581
Depreciation	89,464	18,808
Communications	53,405	56,996
Rents	39,674	39,674
Electricity and water	36,107	109,560
Board of directors remunerations and transportation	28,964	40,070
Cleaning	21,128	22,075
Security	15,994	15,404
Bank expenses	11,342	11,227
Professional fees	11,039	11,050
Miscellaneous	8,875	8,469
Subscriptions	8,788	11,055
Stationery and printings	8,646	10,979
Center's contribution to saving fund	8,536	7,968
Fuel	7,756	8,107
Training	7,251	7,374
Legal fees	6,682	1,036
Hospitality	5,757	4,999
Amortization	5,369	71,439
Advertisement	4,235	380
Travel and transportation	4,101	826
Vehicles expenses	3,498	3,032
Insurance	2,702	2,796
Board of directors secretary fees	1,819	2,400
Total	2,042,925	2,044,812

16. Legal cases

The value of legal cases raised by other against Securities Depository Center and other parties amounting to JD 40,785,636 and those cases are still pending in the related court, and based on the legal council professional judgment that the allegations in these cases have no factual or legal bases, and that the Center has strong defenses for the restitution of those claims, and therefore does not expect the center to suffer any financial liabilities as a result .

17. Risk management

a) Capital risk (Reserves)

Regularly, the reserves structure is reviewed and the cost of reserves and the risks associated with reserves are considered. In addition, reserves is managed properly to ensure continuing as a going concern while maximizing the return through the optimization of the center liabilities return.

b) Currency risk:

- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- The risk arises on certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year.
- Certain procedures to manage the exchange rate risk exposure are maintained.
- The entity is not exposed to currency risk.

c) Interest rate risk:

- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- The risk arises on exposure to a fluctuation in market interest rates resulting from depositing in banks.
- The risk is managed by maintaining an appropriate mix between fixed and floating interest rates balances during the financial year.
- The entity is not exposed to interest rate risk.

d) Other price risk:

- Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
- The risk arises from investing in equity investments. However, this risk is insignificant since no active trading on these investments is occurred.
- The entity is not exposed to other price risk.

e) Credit risk:

- Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Regularly, the credit ratings of debtors and the volume of transactions with those debtors during the year are monitored.
- Ongoing credit evaluation is performed on the financial condition of debtors.
- The carrying amount of financial assets recorded in the financial statements represents the maximum exposure to credit risk without taking into account the value of any collateral obtained.

f) Liquidity risk:

- Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.
- Liquidity risk is managed through monitoring cash flows and matching with maturity dates of the financial assets and liabilities.

- The following table shows the maturity dates of financial assets and liabilities as of December 31:

	Less than one year		One year and more	
	2023	2022	2023	2022
	JD	JD	JD	JD
Financial assets:				
Cash and cash equivalents	6,202,519	6,330,688	-	-
Accounts receivables and other debit balances	64,858	40,363	-	-
Center's employee housing fund	-	-	2,658,177	2,658,177
Total	6,267,377	6,371,051	2,658,177	2,658,177
Financial liabilities:				
Account payable and other credit balances	47,779	113,812	-	-
Related parties payable	47,779	39,546	-	-
Total	150,006	153,358	-	-

18. The potential effects of economic fluctuations

As a result of the current global conflict, where the entity has taken into account any possible impact of current economic fluctuations in the inputs of future macroeconomic factors when determining the severity and probability of economic scenarios to determine expected credit losses.



مركز إيداع الأوراق المالية
Securities Depository Center

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