



مركز إيداع الأوراق المالية
Securities Depository Center

ANNUAL REPORT
2024





**His Majesty
King Abdullah II Bin Al Hussein**



**His Royal Highness
Crown Prince Hussein Bin Abdullah II**

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Board of Directors Chairman's Statement

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

I am pleased to welcome you, along with my fellow members of the Board of Directors of the Securities Depository Center, and to present to you Annual Report for the year 2024, which includes the financial accounts, the SDC's most important activities, achievements, and future plans, derived from the national priority of implementing the Economic Modernization Vision to support economic and financial growth.

Despite the ongoing financial, economic, and geopolitical challenges and difficulties, the SDC has continued its distinguished journey of achievements, adhering to its established principles and values. The operations and services SDC provides to its members and investors have been developed and improved, continuing to offer integrated packages of services and operations based on the best and simplest procedural practices, in line with international standards applied in financial markets. This has aimed to enhance the development levels of the SDC's entire work system and services.

In line with the SDC's future vision, at the beginning of 2024, the SDC approves its strategic plan for the years 2024-2026 including developing the necessary implementation plans for core projects and work programs, focusing on technological innovation in governance and automation to keep pace with developments in the securities industry. This will ensure the SDC's objectives are achieved and its operations are sustained, benefiting investors and overcoming future financial and economic crises.

As part of developing public-facing services, the SDC has completed the development of a service for viewing accounts through the website, simplified the procedures for subscribing to this service electronically, and launched a dedicated electronic application for this service, which can be downloaded free of charge on smartphones. Additionally, the SDC has developed the organizational structure for providing public-facing services by creating an administrative department for this purpose and redesigning and developing the public service hall to serve as a dedicated station for guiding service recipients through the requirements for completing their transactions in an organized and modern manner.

The SDC also completed the Financial Settlement system for Block Trades Executed at the Amman Stock Exchange project, preparing the legislative and technical framework for completing the transfer of ownership of securities traded under transactions executed on the stock exchange, and delivering their prices on the same trading day. This is done within reliable mechanisms and procedures that

enable brokers to implement these financial settlements through the SDC without any risks.

The SDC has been able to develop and modernize the electronic and technical environment for the central storage units at the main, and backup sites, in accordance with the latest technical specifications to ensure the sustainable operation of electronic systems and the real-time, synchronized exchange of data between data storage sites. The SDC has been keen to continue supporting and developing the functional, technical, and security features of the SDC's electronic system (SCORPIO), in line with developments related to the requirements for developing areas, procedures, and work methods.

The SDC completed the project to redesign and develop the website, applications, and e-services. It also developed the infrastructure for information security devices and established a framework for joint and sustainable cooperation with the National Cybersecurity Center to support and guide efforts to develop firewall systems and artificial intelligence technologies for data analysis and activities to detect and combat cyber risks. This was embodied in the creation of a specialized unit for risk management in accordance with best practices in financial institutions, in line with international standards, and the development of a comprehensive methodology for risk management, including operational risk, for the operations of all organizational and administrative units.

To strengthen cooperation with Arab financial markets, the SDC signed a Memorandum of Understanding with the Qatar Central Securities Depository (Edaa) to exchange knowledge and expertise. The SDC also in cooperation with the Jordan Securities Commission and the Amman Stock Exchange signed an electronic linkage agreement with the Abu Dhabi Securities Exchange. The agreement aims to enable remote trading by financial brokers in both markets and to settle their trades based on regulatory and procedural controls determined by the SDC for this purpose under the agreement.

In its efforts to strengthen its leading position, the SDC has not hesitated to expand its participation in the activities and events of regional and international organizations in the financial markets, with the aim of benefiting from their experience and technical expertise and encouraging investment in the Jordanian financial market.

For the first time in the SDC's history, the self-assessment form was completed and published on the SDC's website, in accordance with the disclosure methodology for financial market infrastructures issued by the International Organization for Securities and Commodities (IOSCO) and the Bank for International Settlements (BIS). The Thomas Murray (TM) self-assessment form was also completed, and the SDC received a very good rating for a low level of operational risk. The SDC also

obtained membership in the Board of Directors of the Association of National Numbering Agencies (ANNA) and the Board of Directors of the Africa & Middle East Depositories Association (AMEDA).

It is worth noting that the SDC will continue to perform its duties, functions, and services during the current and future years to achieve its comprehensive vision. It will also continue to implement various strategic projects that support the development of financial market operations, in coordination and cooperation with capital market institutions, to contribute to enhancing national economic growth and protecting financial stability.

In conclusion, I would like to extend my sincere thanks to the Jordan Securities Commission and the Amman Stock Exchange. I would also like to express my sincere thanks and gratitude to all members of the General Assembly of the Securities Depository Center for their continued trust and support, and to all members of the Board of Directors, the Executive Management, and the SDC's staff for their efforts and sincere cooperation in strengthening the SDC's position and achieving its goals and future aspirations for progress and prosperity.

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.

First Chapter

Overview of the

SDC

Establishment and Responsibilities

The Securities Depository Center (SDC) of Jordan is a public utility institution established in the Kingdom by virtue of the Securities Law No (23) of 1997, which was issued to a safe, stable and attractive investment environment that supports the national economy. The Securities Law of 1997 separated the functions of the Amman Financial Market (AFM) and created the Jordan Securities Commission (JSC), the Amman Stock Exchange (ASE) and the Securities Depository Center (SDC). This separation of functions has come to comply with the international standards applied in the capital markets. The SDC is subject to the JSC's monitoring and supervision.

The SDC, which has a legal personality with financial and administrative autonomy, commenced operation in May 1999 and is the only entity in Jordan that is legally empowered by the virtue of Securities Law No. (18) of 2017 to oversee the following responsibilities:

Registration, safekeeping, and depositing of securities

The SDC undertakes the responsibility of registering and safekeeping of securities after the completion of the procedures of registering them at the (Jordan Securities Commission -JSC) according to the requirements and specifications for that purpose, which were organized by the Instructions of the Registration, Deposit and Settlement of Securities. It should be noted that the registration of securities at the SDC is mandatory for all public shareholding companies (issuers of securities). This process includes depositing the records of the owners of securities and authenticating them in the SDC database completely and accurately based on their information. The records at the SDC are legal evidence of ownership of the securities, including the authentication of all changes made to them in accordance with the relevant legislation.

Transferring the ownership of securities

The SDC is the only entity in the Hashemite Kingdom of Jordan authorized to transfer the ownership of the deposited and traded securities on the Amman Stock Exchange (ASE), where the ownership of the deposited securities is transferred from the selling investor's account with the selling broker to the buying investor's account with the buying broker via book entry based on the daily file for trading received from the ASE, after completing the settlement of the securities prices for the trading contracts according to the standard of delivery against payment (DvP). In addition, the SDC handles the process of transferring ownership of non-traded securities, as well as transfers excluded from trading.

Clearing and Settlement of Securities

The process of clearing and settlement of securities is conducted to receive and pay the prices of securities resulted from trading contracts executed in the Amman Stock Exchange. At the end of each day, the SDC calculates the net rights and obligations of brokers and custodians resulting from trading and notifies them electronically in the SDC's systems dedicated for brokers and custodians. Accordingly, the SDC settled these contracts and transferred the ownership based on the set deadlines. The clearing and settlement are done on the basis of Delivery versus Payment. This principle is considered an important international standard applied in the capital market.

Imposing and releasing the ownership restrictions upon deposited securities

Lien

The SDC by virtue of the provisions of law undertakes the responsibility of authenticating lien restrictions in its registers upon securities deposited at the SDC after receiving the decision to impose the lien issued by counts and competent authorities. The SDC has developed an electronic lien system dedicated to the use of official authorities to impose lien over the movable and immovable funds with the aim of simplifying the procedures of placing and releasing lien for the benefit of those authorities so that it is done automatically and electronically to save time, effort and cost in a way that is in the public interest and ensuring the collection of treasury funds and rights.

Pledge

The SDC undertakes the responsibility of placing and releasing upon securities deposited at the SDC according to the provisions of instructions of the Registration, Deposit and Settlement of Securities. The SDC developed a special electronic system for pledgee banks. This System enables pledgees (banks) to serve their customers by completing placing and releasing pledge through the system within the framework of electronic procedures that guarantee accuracy, speed and efficiency.

Freezing

The SDC provides all investors with a service of freezing ownership of deposited securities so that any member of the SDC is prevented from disposing of them.

SDC's Management

Board of Directors

Three private sector members with expertise in legal, financial and economic fields, appointed by the Board of Commissioners of the Jordan Securities Commission

Dr. Adeeb Khalil Ayed Haddad
Chairman

Dr. Thair Adnan Tawfiq Kaddumi
Deputy Chairman

Mr. Firas Tareq Salah Suheimat
Board Member



One member representing public shareholding companies
Latent Energies for Investments

Mr. Moh'd Ahmad Moh'd Rifai
Board Member

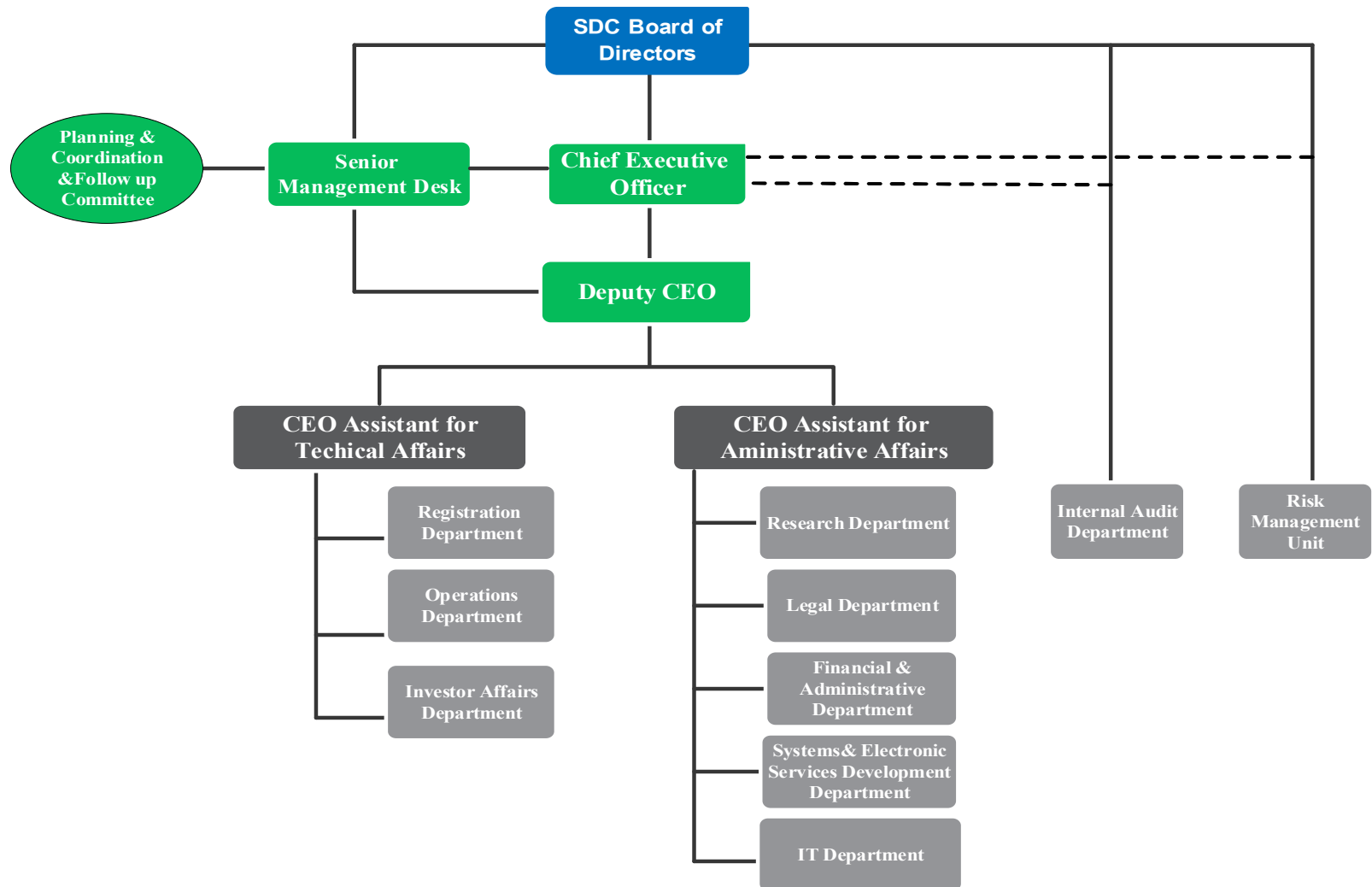
One member representing brokers and custodians
United Financial Investments

Mr. Zaid Farid Abdo Nassif
Board Member

Chief Executive Officer

Mrs. Sarah Tarawneh
Chief Executive Officer

Organizational Structure



SDC's Departments

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

Investor Affairs Department The Department of Investor Affairs 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.

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.

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.

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.

Financial & Administration Department

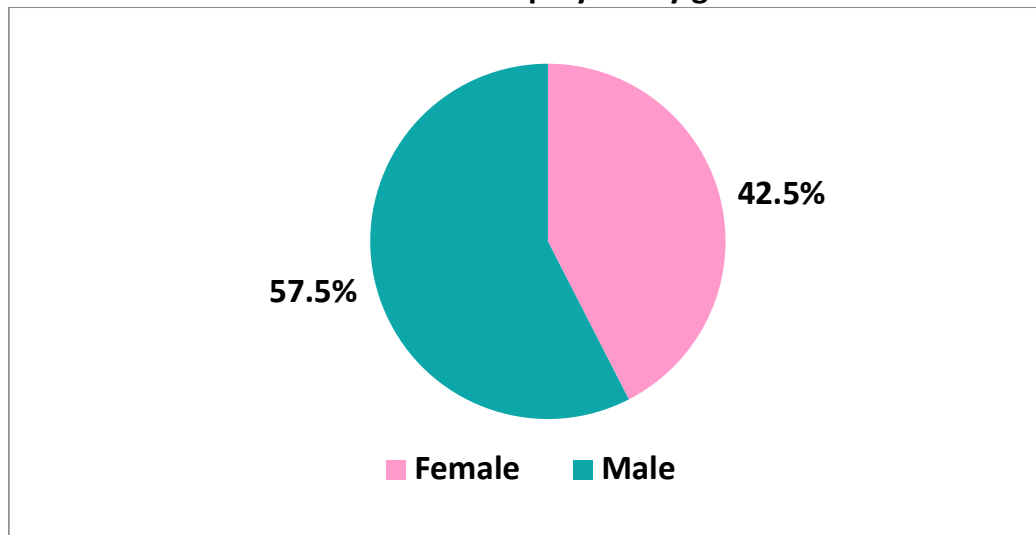
The Financial & Administration Department is responsible for all the SDC's human resources and financial affairs; in addition to providing the administrative support services necessary for the SDC's operations and organization. The Financial & Administration Department is divided into three sections: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



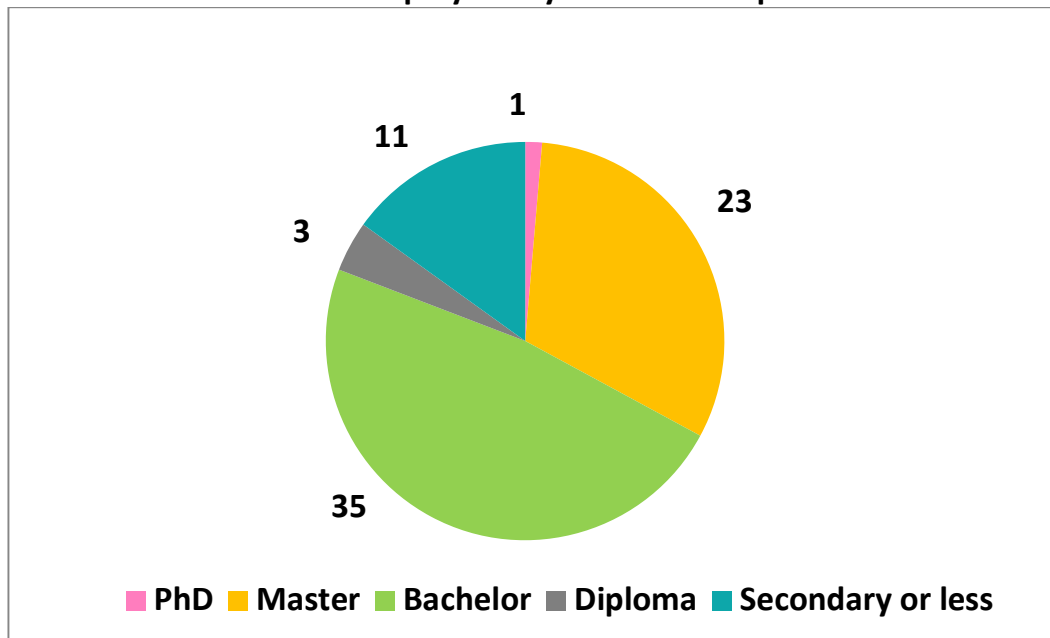
Human Resources

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 (73) employees.

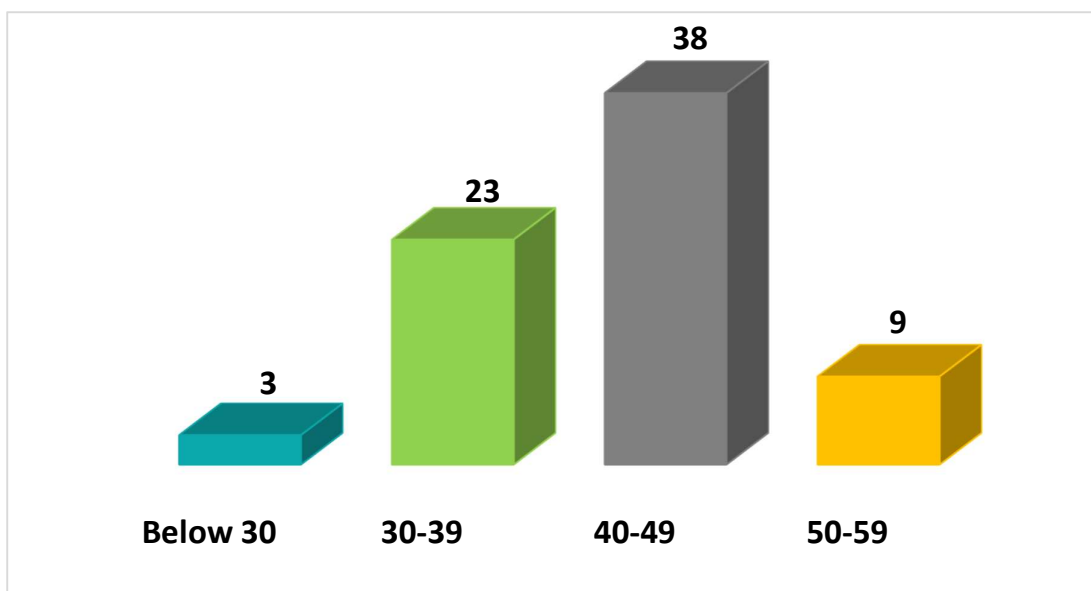
Distribution of employees by gender



Distribution of employees by educational qualification



Distribution of employees by age group



SDC's Members

Membership in the SDC is as follows:

Public Shareholding Companies	Banks	15
	Insurance	19
	Services	136
	Industry	49
Total		219
Financial Services Companies	Brokers	50
	Custodians	16
Total		66

SDC's Membership in the Regional and International Organizations

- Association of National Numbering Agencies (ANNA)**
 This association is fully committed to proactively promoting, implementing, maintaining and making available, standards for securities and related financial instruments, in a uniform and accurate structure for the benefit of their home markets and of the securities industry as a whole. It is considered

as registration and maintenance authority of international standards, the International Securities Identification Number – ISIN (ISO 6166), Classification of Financial Instruments - CFI (ISO 10962), and Financial Instrument Short Name – FISN (ISO 18774) that are enacted according to rules and regulations set out by the International Organization for Standardization (ISO).

The SDC is a member in the (ANNA) since 2004 and has been recognized as the sole numbering agency in Jordan.

- **Africa & Middle East Depositories Association (AMEDA)**

A non-profit organization aims mainly to be the forum for the exchange of information and experience where among its members, the central depositories in various parts of Africa and the Middle East, the SDC is considered as one of the association's founders and represented in the association by a full membership.

- **Federation of Euro-Asian Capital Markets (FEAS)**

This federation aims to reduce the barriers between the members' countries and enhance the cooperation between them to trade across borders. The membership of the SDC in the federation is as an Affiliate.

SDC's Website

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.

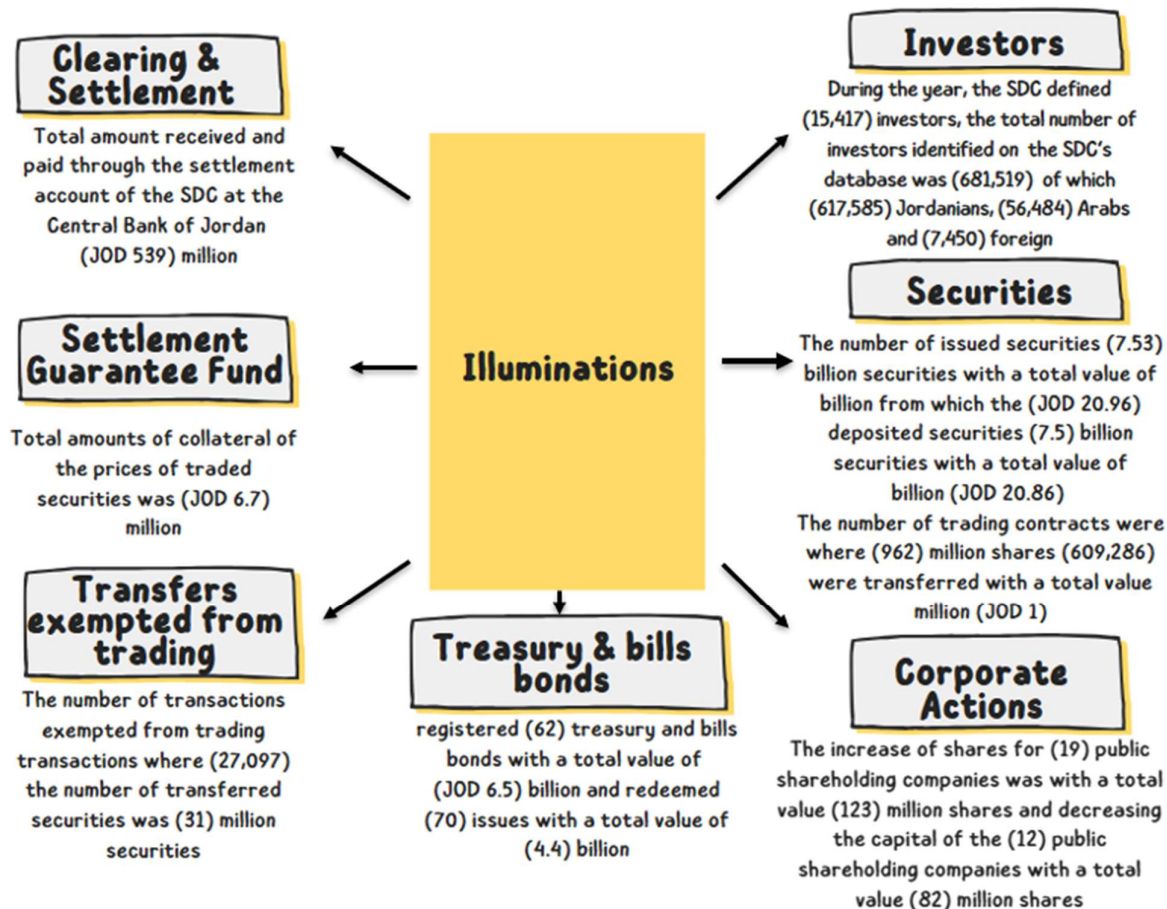
Within the framework of continuous development and the constant endeavor to improve the user experience and meet the needs of researchers and investors, the SDC launched its new website.

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 developing 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.

Second Chapter
Illuminations
and
Achievements

Illuminations



Achievements

During 2024, the SDC worked to complete the implementation of the projects included in its 2024-2026 strategic plan and the Economic Modernization Vision, in addition to completing some projects related to the SDC based on the implementation of the roadmap for developing the capital market prepared by the European Bank for Reconstruction and Development, which can be summarized as follows:

1. Developing E-portfolio Service

As part of the SDC's ongoing efforts to promote digital transformation and provide distinguished services to investors in the Jordanian capital market, the SDC launched the "E-portfolio" service on February 18, 2024, via a free smartphone application. The aim is to provide a direct and innovative channel enabling investors to view their holdings and track transactions. The application provides instant notifications to investors in the event of any transactions involving their holdings (buying, selling, increasing capital, decreasing, or ownership restrictions). This allows Jordanian investors to subscribe to the service directly without having to visit the SDC by downloading the application from the App Store and Google Play.

2. Website Development

As part of its ongoing development and constant efforts to improve user experience and meet the needs of the SDC's members, investors, securities dealers, and researchers, the SDC launched its new website on January 2, 2024. The new website includes a range of features that make it one of the leading destinations for users seeking financial and statistical information. The website features a simple and modern design that meets user needs and comprehensive and diverse content relevant to various segments of investors, including individual investors, companies, government agencies, and researchers. The website also provides an interactive experience for users, as the technical structure of the website has been developed to keep pace with the latest international standards in the field of websites.

3. Financial Settlement for Block Trades through the SDC

As part of the SDC's efforts to develop its operations and services and continue to achieve its objectives of enhancing investor confidence and reducing risks associated with securities price settlement, based on international standards and best practices, and as a reflection of the SDC's initiatives in its strategic plans to prepare the legislative and technical environment for implementing financial settlements for transactions executed at the Amman Stock Exchange through the SDC, based on the principle of Delivery Versus Payment (DVP),

whereby ownership of traded securities is transferred and their prices are delivered simultaneously on the same trading day (T+0). This is done within reliable mechanisms and procedures that enable brokers to implement these financial settlements through the SDC without any risks and on a delivery versus payment basis.

4. Developing procedures for defining and updating securities accounts data

During 2024, the SDC worked to develop procedures for defining and updating securities accounts data by adding new basic data. This aims to enhance the accuracy and completeness of account information, link the account data update process to a specific timeframe, and automate related regulatory reports on electronic systems.

5. Financial settlements related to trades executed on traded bonds

During 2024, the SDC worked on preparing and designing technical reports using electronic systems that include calculation equations for financial settlements related to trades executed on bonds traded on the Amman Stock Exchange. These reports include settlement amounts based on (the value of the trading contract and the accumulated interest due to the selling client). These reports are made available to brokers to help enhance the accuracy and integrity of the procedures they take regarding the calculation of client rights.

6. Developing the electronic and technical environment

- Developing and updating the infrastructure and technical environment for central storage units at the primary, and backup sites in accordance with the latest technical specifications, ensuring the sustainable operation of electronic systems and the exchange and availability of data in real-time and synchronously between data storage sites.
- Continuing to support and develop the functional, technical, and security features of the SDC's electronic system (SCORPIO), in line with developments related to the requirements for developing areas, procedures, and work methods, as well as the requirements for implementing the tasks and operations of entities affiliated with the SDC. Redesigning and developing the website, applications, and electronic services to meet the operating requirements of new technical computer systems, and redeveloping and updating all of its content in an attractive and modern manner.
- Developing the infrastructure for information security devices (cybersecurity) and establishing a framework for joint and sustainable cooperation with the National Cybersecurity Center to support and guide the SDC's efforts in developing firewall systems and electronic security

technologies dedicated to detecting and preventing viruses and hacking attempts.

- Developing the technical infrastructure for network and communications systems, electronic central monitoring and control systems, and energy-saving devices, and implementing and activating the electronic correspondence and circulars management system to reduce the use of paper for internal and external correspondence, and developing the switchboard into an advanced electronic switchboard that supports multiple communication capabilities and features according to practical needs and at economical financial and operational costs.

7. The SDC's Rating by Thomas Murray (TM)

During 2024, the SDC maintained an A+ rating, indicating a low level of operational and business risk, from Thomas Murray, a company specializing in rating and providing data and information on global custodians including banks, in addition to the securities depositories, and capital market systems worldwide.

8. Signing an electronic linkage agreement with the Abu Dhabi Securities Exchange

The SDC and the Amman Stock Exchange (ASE) signed an electronic linkage agreement with the Abu Dhabi Securities Exchange. This agreement aims to diversify investment opportunities. This enables investors to trade securities between the two markets with ease and convenience within a legal framework based on this agreement. This agreement also ensures the completion of pre- and post-trading services and related procedures, including completing securities account opening procedures and settling securities prices with the utmost accuracy and reliability, thus minimizing the risks associated with these transactions.

9. Strengthening the SDC's Position in Regional and International Organizations

The SDC has strengthened its position among international institutions and related parties in financial markets, both regionally and globally, through its participation in events and conferences dedicated to developing policies and standards related to the work of depository centers and financial markets. This is aimed at enhancing the competitiveness of the Jordanian financial market to attract and encourage foreign investment. The SDC participated in meetings held by the Africa and Middle East Depository Centers Association (AMEDA), the Federation of Euro-Asian Stock Exchanges (FEAS), and the General Assembly of the Association of National Numbering Agencies (ANNA), in addition to the following:

- The SDC has been a member of the Board of Directors of the Association of National Numbering Agencies (ANNA).
- The SDC has been a member of the Board of Directors of the Africa and Middle East Depository Centers Association (AMEDA).

Training



A number of employees participated in the several training courses related to the digital transformation, cybersecurity, strategic thinking and future foresight, strategic planning, thinking skills and creativity, competency-based human resources management, planning methodology, optimal utilization of surplus and shortage management, corporate performance management, international standards for internal auditing, institutionalizing procedures for enforcing the law guaranteeing the right to access information, organizational structures, operational plans and performance indicators, managing change and technological innovation, negotiation skills, the art of writing and drafting contracts, self-development and managing work stress.

Local Delegations



The SDC has presented numerous educational lectures locally to various institutions, introducing them to the SDC's mission and the developments in its electronic systems and applications. These include Zarqa University, Al-Balqa' Applied University, the World Islamic Sciences & Education University, Hashemite University, Yarmouk University, Jerash University, the Applied Science

International Relations

The SDC is highly concerned to participate in the meetings and conferences that were held in 2024:



- Meeting of the Federation of European and Asian Stock Exchanges (FEAS) that was held in Samarkand - Uzbekistan during the period 17-20/04/2024. The meeting aims to bring together experts from around the world in capital markets, stock exchanges, banks, regulatory bodies, investment companies and others to discuss the latest developments and opportunities in the capital markets.



- The meeting of the Africa & Middle East Depositories Association (AMEDA) was held in Doha, Qatar, during the period 01-02/05/2024. The Association also held its second meeting, which was held remotely via the Zoom platform on 06/04/2024.

- The Association of National Numbering Agencies (ANNA) held its ordinary General Assembly meeting during the period 12-14/6/2024, which took place in the city of Madrid in the Kingdom of Spain. During the meeting, elections were held to fill vacant seats on the Board of Directors of the organization. The Securities Depository Center of Jordan, won the membership for the vacant seat.
- The Federation of Euro-Asian Stock Exchanges (FEAS) held its 39th Extraordinary General Assembly meeting on 19 September 2024, in Orchid, North Macedonia via audio and video communication.



- The annual summit of the Africa & Middle East Depositories Association

(AMEDA) and the Association of Eurasian Central Securities Depositories (AECSD) 2024 and wins membership in the Board of Directors of the (AMEDA).



- Network Forum 2024 between Depository Centers and Custodians in the Middle East, which was held in the State of Qatar - Doha, during the period from 5-6/11/2024.



- Extraordinary General Assembly meeting of the Association of National Numbering Agencies (ANNA), which was held in Warsaw, Poland, during the period from 02-04/12/2024.

Third Chapter

SDC's

Performance

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 2024, 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	31	4,000.0	
		Treasury Bonds	USD	2	180.0	
		Treasury Bills	JOD	6	900.0	
		Treasury Bills	USD	5	841.0	
Jordan Ahli Bank		Corporate Bonds	USD	2	170.0	
Jordan Trade Facilities		Corporate Bonds	JOD	1	4.160	
Jordan Mortgage Refinance		Corporate Bonds	JOD	9	180.0	
Siniora Food Industries		Corporate Bonds	USD	1	80.0	
National Electric Power			Public Entity Bills	JOD	1	100.0
		Islamic Sukuk	Murabaha	JOD	4	400.0

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	39	2,625.0
		Treasury Bills	JOD	4	750.0
			USD	4	915.0
Jordan Mortgage Refinance		Corporate Bonds	JOD	22	265.5
Water Authority of Jordan		Public Entity Bonds	JOD	1	75.0

The SDC also executes the necessary changes to the registered securities and updates the shareholders' registers as a result of different corporate actions. As a result, the SDC registered the increase shares for (19) public shareholding companies, with a total of (123) million shares, and the decrease the capital of (12) public shareholding companies, with a total of (82) million shares.

Public Shareholding Companies (Increasing Capital) in JOD

Increase mechanism	Company name	Amount of increase	Capital before increase	Capital after increase
Capitalization	Delta Insurance	720,000	8,000,000	8,720,000
	United Insurance	6,000,000	8,000,000	14,000,000
	The Islamic Insurance	1,500,000	15,000,000	16,500,000
	Siniora Food Industries	2,147,059	30,552,941	32,700,000
	Electricity Distribution	7,000,000	14,000,000	21,000,000
	National Petroleum	15,000,000	15,000,000	30,000,000
	Zarka Educational & Investment	825,000	16,500,000	17,325,000
	Irbid District Electricity	7,000,000	14,000,000	21,000,000
	Cairo Amman Bank	10,000,000	190,000,000	200,000,000
	Safwa Islamic Bank	20,000,000	100,000,000	120,000,000
	Euro Arab Insurance Group	1,054,312	9,000,000	10,054,312

Private Subscription	Middle East Pharmaceutical & Chemical Industries & Medical Appliances	5,000,000	1,250,583	6,250,583
	Jordanian Saudi Investment House for Development & Investment	4,779,331	3,000,000	7,779,331
	National Petroleum	2,500,000	30,000,000	32,500,000
	Siniora Food Industries	2,552,941	28,000,000	30,552,941
	Union Tobacco & cigarette Industries	7,000,000	9,963,089	16,963,089
	Invest Bank	25,000,000	100,000,000	125,000,000
	Jordan Steel	39,007	35,000,000	35,039,007
Merger	Bindar Trading & Investment	5,205,677	20,000,000	25,205,677
Total		123,323,327	647,266,613	770,589,940

Public Shareholding Companies (Decreasing Capital) in JOD

Increase mechanism	Company name	Amount of increase	Capital before increase	Capital after increase
Redemption of losses	Al-bilad Securities & Investment	3,000,000	10,000,000	7,000,000
	The Jordanian Pharmaceutical Manufacturing	36,058,854	69,756,944	33,698,090
	Jordan Industrial Resources	4,487,151	6,285,649	1,798,498
	Resources Company for Development & Investment	7,000,000	11,000,000	4,000,000
	Offtec Holding Group	3,610,272	34,850,000	31,239,728
	The Jordan Pipes Manufacturing	1,072,500	3,575,000	2,502,500
	Amwaj Properties	21,948,794	30,000,000	8,051,206
	Al- Arabiya For Investment Projects	654,020	3,551,982	2,897,962
	Future Arab Investment	2,000,000	20,000,000	18,000,000
	First Finance	800,000	35,000,000	34,200,000

Excess cash distributed to the shareholders	Jordan Masaken For Land & Industrial Development Projects	506,106	8,435,100	7,928,994
	Al- Arabiya For Investment Projects	397,962	2,897,962	2,500,000
Total		81,535,659	235,352,637	153,816,978

The SDC terminated the membership of (8) public shareholding companies during the year 2024. Thus, the total number of public shareholding companies was (219) companies as of 31/12/2024.

On the other hand, the SDC terminated the membership of (3) brokerage companies, thus, the total number of brokers at the SDC was (50) companies including (6) public shareholding companies. 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 (263) of public shareholding companies, brokers and custodians.

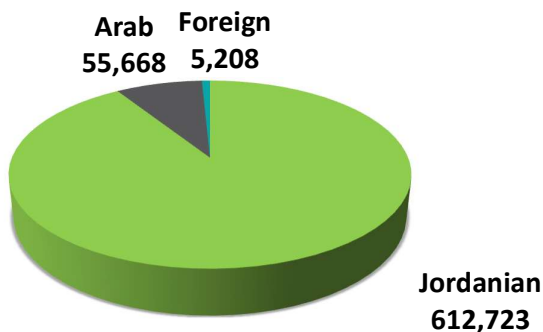
Terminated Members during the year

Type of member	Name of member	The reason of the membership termination
Public shareholding companies	United Integrated for Multiple Industries & Public Investments	Compulsory Liquidation
	Jordan Clothing	Compulsory Liquidation
	Philadelphia Insurance	Compulsory Liquidation
	Arab East Investment For Real Estate	Transformation of legal form to the limited liability company
	Jordan Paper & Cardboard Factories	Voluntary Liquidation
	Al-ro'ayah For Investment	Compulsory Liquidation
	Al-eqbal Investment	Voluntary Liquidation
	The Arab Financial Investment	License Deleted
Brokerage companies	International Brokerage and Financial Markets	ASE Membership Deleted
	United Financial Group Brokerage	License Deleted
	Almawared For Brokerage	License Deleted

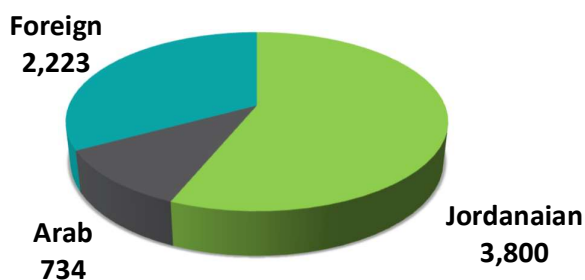
Investor Identification and Account Set-Up

During the year 2024, the SDC defined (15,417) investors, the total number of investors identified on the SDC's database was (681,519) investors. Below are the identified investors who are classified by nationality.

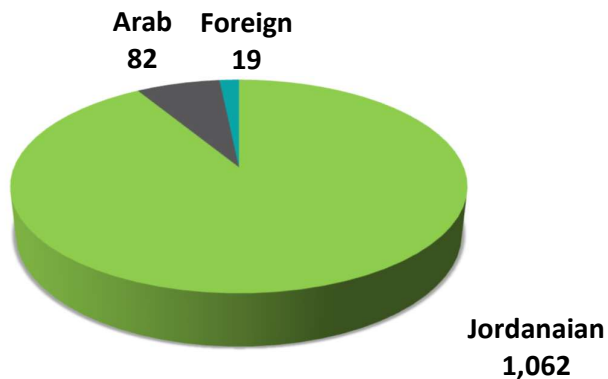
Number of individual investors by nationality classification



Number of judicial 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 (279) registers as of 31/12/2024 of which (219) shares, (45) bonds and (15) Islamic Sukuk.

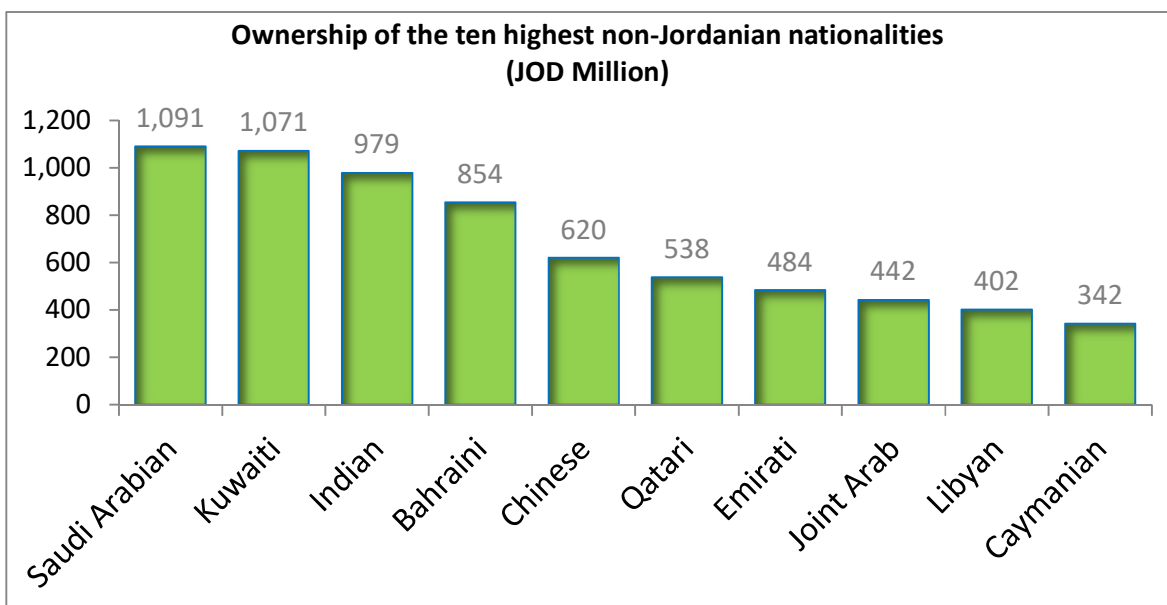
The SDC also issued (3,087) ownership notices in securities ownership notices that show their ownership balance in securities between different accounts for a specific date, in addition to issuing (270) an accounts statements that show all transactions executed on his securities during a period of time.

Analysis of registered ownership

Status	Deposited	Non-deposited	Deposit %	Total
No. Owners	491,348	63,276	88.59%	554,624
No. Securities	7,501,211,127	29,215,368	99.61%	7,530,426,495
Total Value (JOD)	20,863,219,822.58	100,813,868.36	99.52%	20,964,033,690.94

Ownership of the ten highest Arab and International nationalities

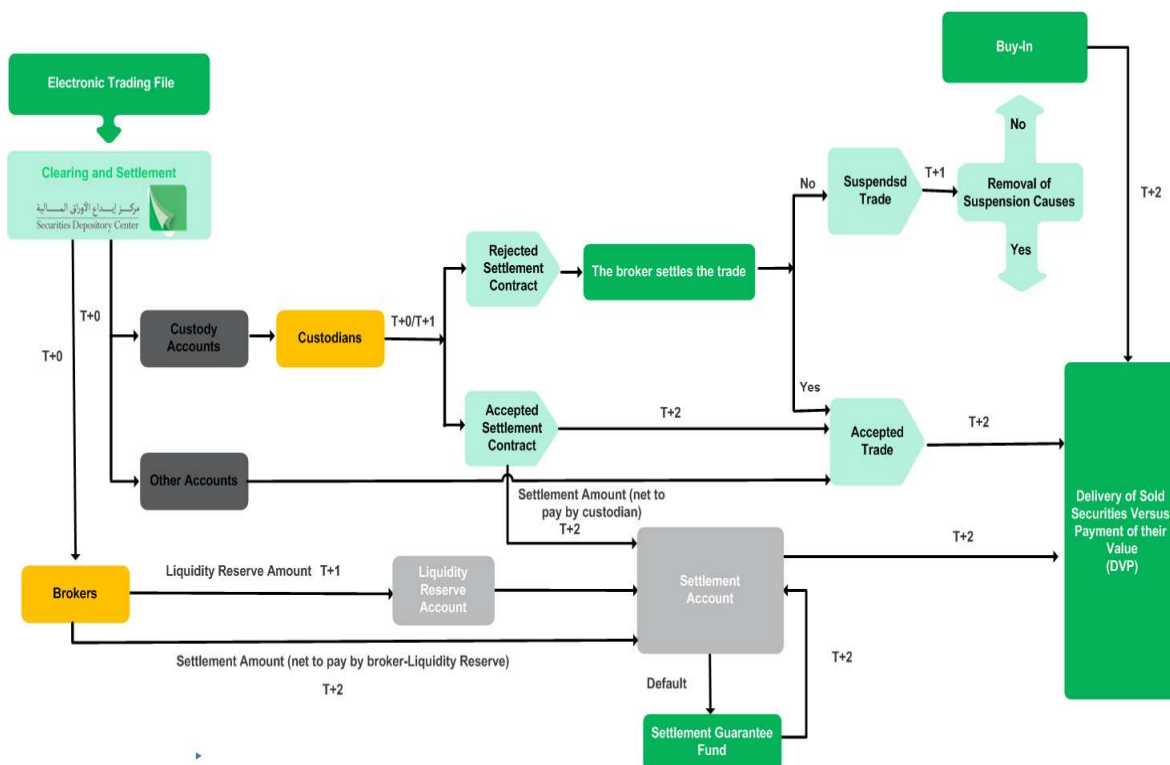
The number of securities registered at the SDC is (7.5) billion shares with a total value of (JOD 20) billion in which the ownership of Jordanians recorded the first rank of approximately (5) billion shares with a total value of approximately (JOD 12) billion. The value of ownership for the top ten non-Jordanian nationalities in the Jordanian capital market is approximately (1.7) billion shares, with a total value of (JOD 6.8) billion and the chart below shows ownership of the ten highest non-Jordanian nationalities in terms of total value.



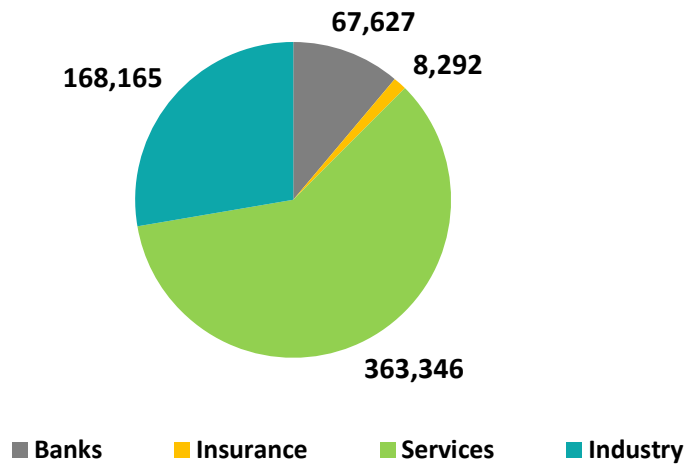
Clearing and Settlement

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 (609,286) contracts where (962,274,362) billion shares were transferred with a value of (JOD1,067) billion. Also, the total amounts received and paid through the settlement account of the SDC at the Central Bank of Jordan (CBJ) were (JOD 270) 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).

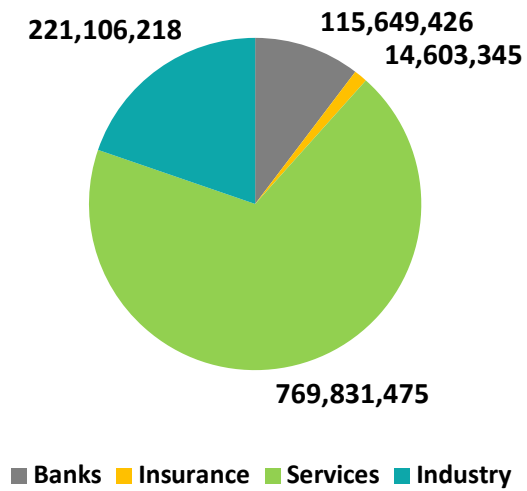
Delivery versus Payment

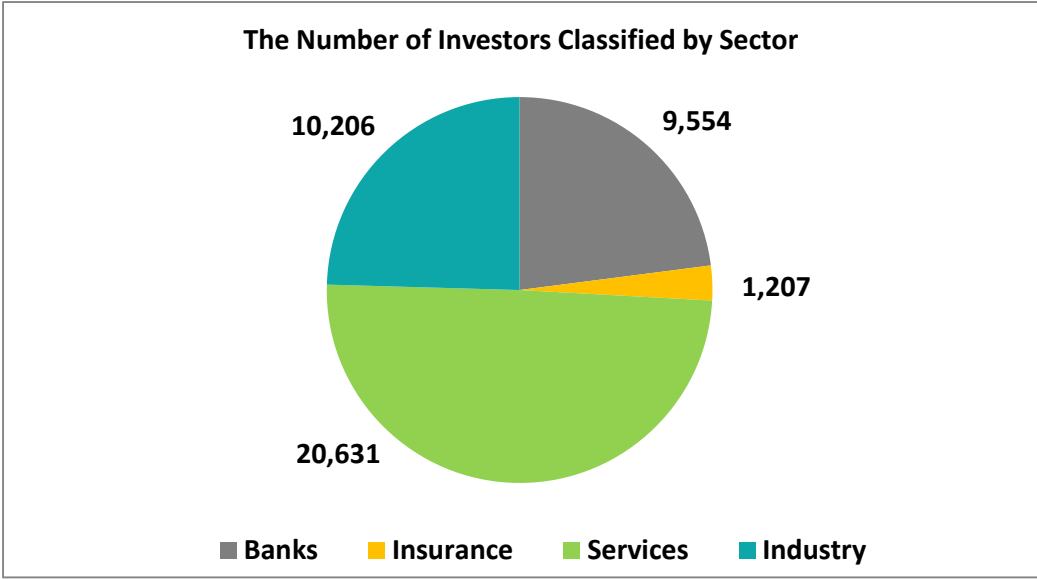
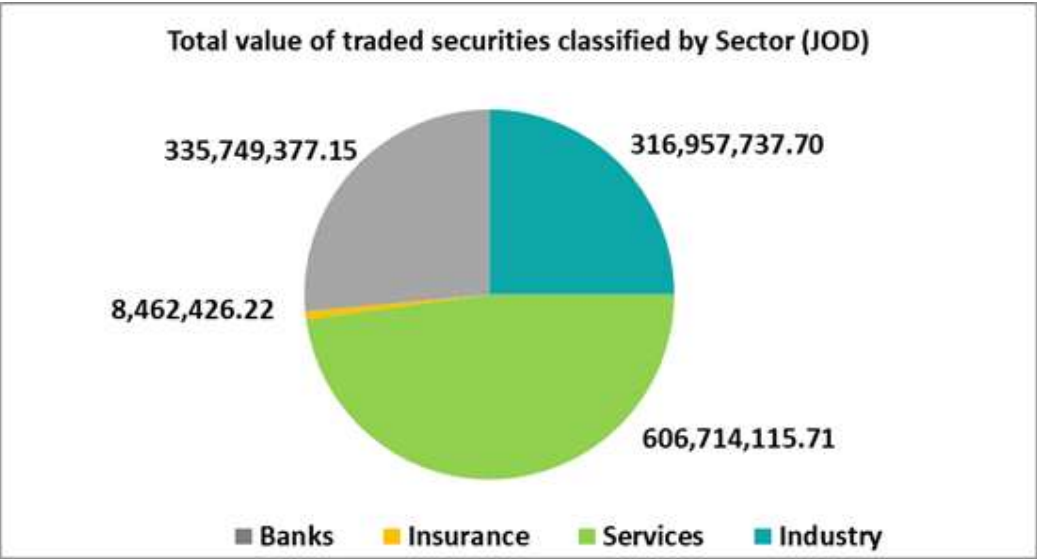


The Number of Executed Contracts Classified by Sector



The Number of Traded Securities Classified by Sector





Settlements transactions in JOD

Description		2024
Amounts Received		269,699,882.01
1	Liquidity Reserve (T+1)	93,365,753.27
2	Settlement Amount (T+2)	176,334,128.74
Amounts Paid		269,699,882.01
1	Settlement Payments (T+2)	269,633,940.75
2	Suspended Contracts (T+4)	65,941.26

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 contributions of the financial brokers (50) brokers of the Fund are divided into cash contributions and bank guarantees. The contributions are calculated based on specific formulas in the internal by-law of the Fund and are periodically re-calculated.

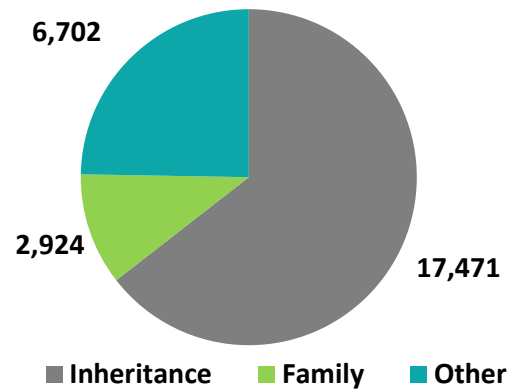
Settlement Guarantee Fund contributions provided by financial brokers in JOD

Payment Orders	4,638,000.00
Cash Contributions	2,023,000.00
Total	6,661,000.00

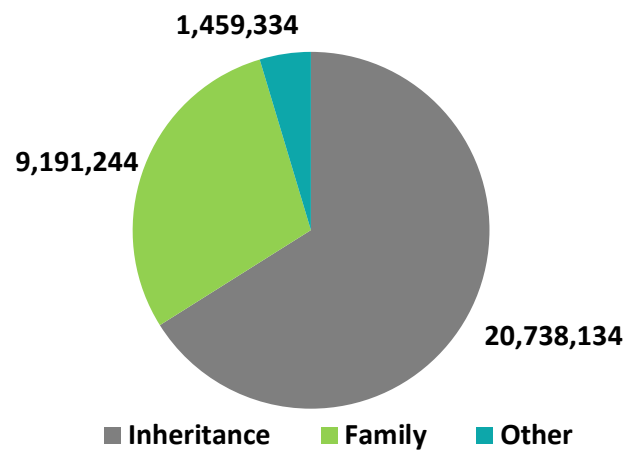
Transfers Exempted from Trading

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.

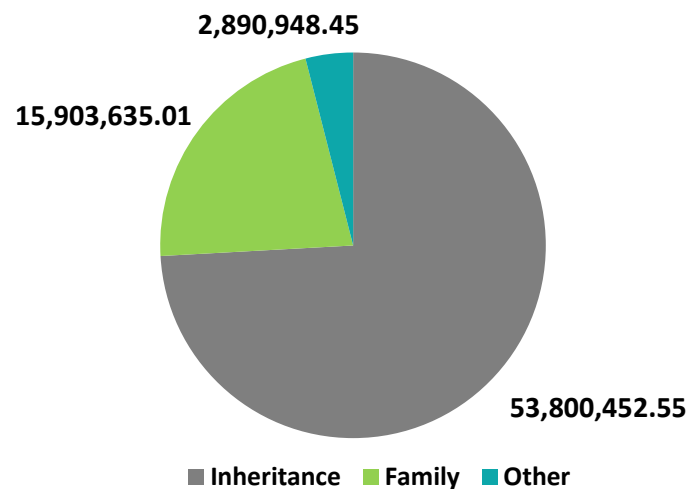
Number of contracts exempted from trading



Number of securities exempted from trading



Total value of transactions exempted from trading (JOD)



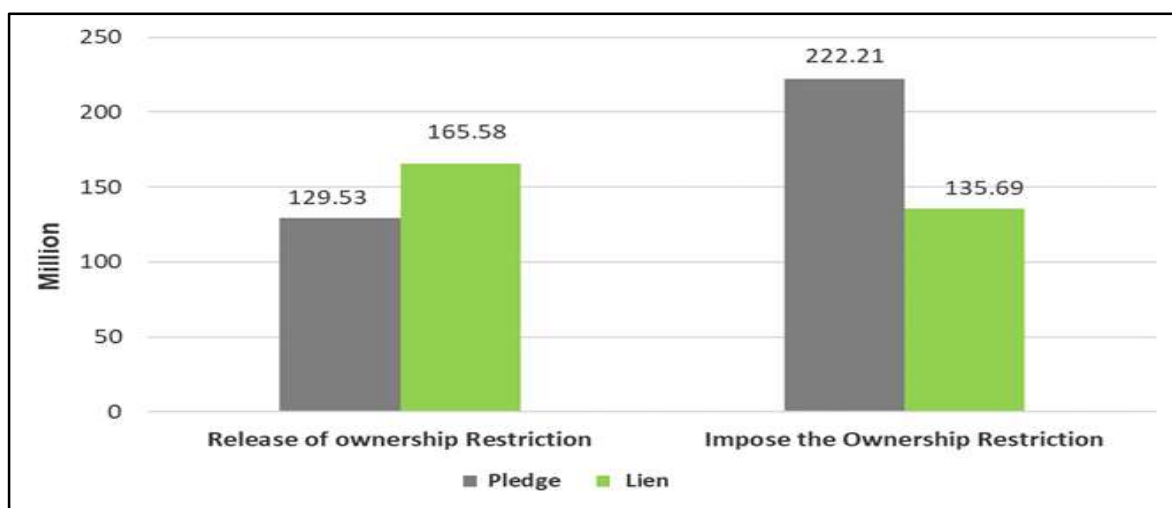
Ownership Restrictions

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.

Number of securities for which ownership restrictions were imposed and released

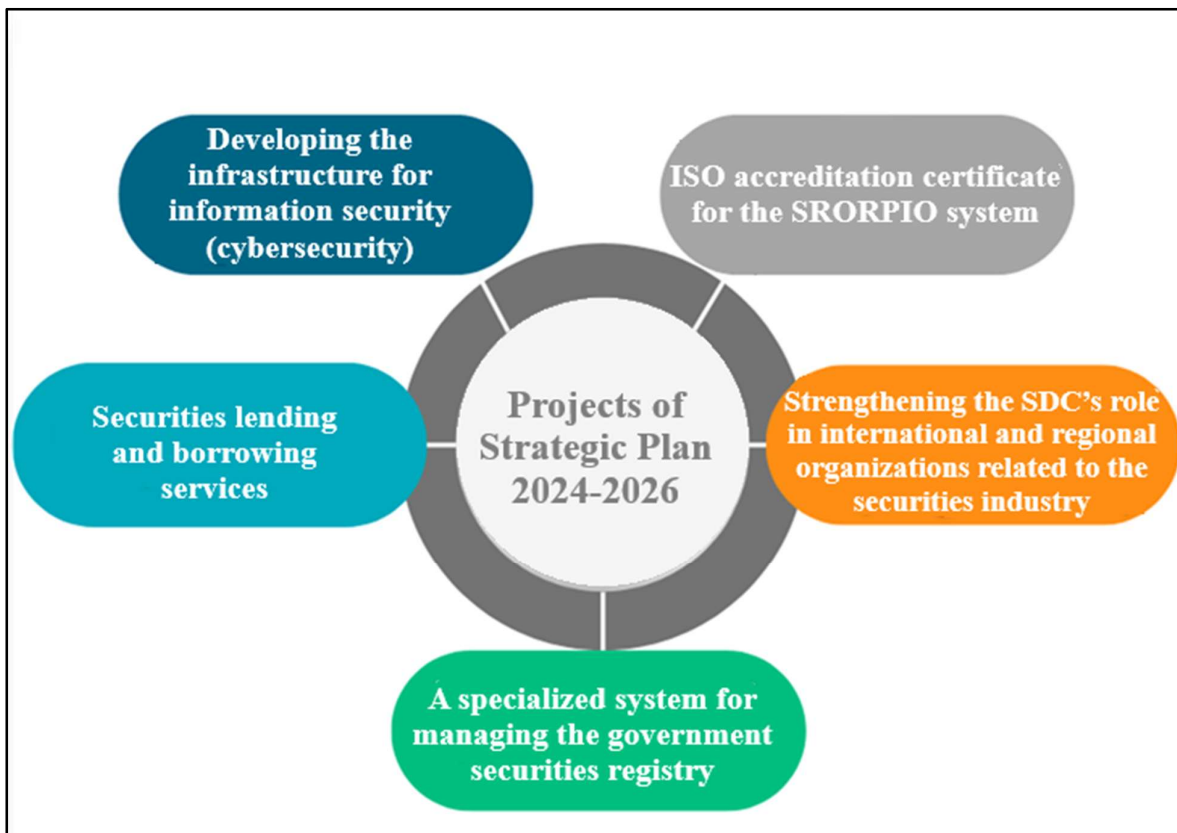


The SDC freezing (332,440) securities and unfreezing (49,116) securities.

Future Plans

The Securities Depository Center (SDC) launched its strategic plan for the years 2024-2026. This comes as part of its efforts to strengthen its leading position among regional depository centers and achieve the national and sectoral objectives set by the Economic Modernization Vision 2025. This vision, implemented in accordance with the Speeches from the Throne, serves as a reference for the SDC's strategic planning and activates its role in serving the Jordan capital market and attracting investors. This is achieved through adherence to international standards and the application of best practices. The SDC completed a portion of the projects in this plan during the year 2024.

SDC will also work to complete future projects included in its strategic plan during this year and the next year, as follows:



**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, 2024**

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

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Notes to the financial statements for the year ended December 31, 2024	5-18

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, 2024, 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 material 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, 2024, 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.



Independent auditor's report for the year ended December 31, 2024

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 12, 2025

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

Statement of financial position as at December 31, 2024

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
ASSETS		JD	JD
Current Assets			
Cash and cash equivalents	3	5,952,169	6,202,519
Accounts receivable and other debit balances	4	73,898	121,161
Related party receivable	5	736	-
Total Current Assets		6,026,803	6,323,680
Non-current Assets			
Center's employees housing fund	6	2,658,177	2,658,177
Intangible assets	7	19,857	97
Property and equipment	8	893,976	555,205
Total Non-current Assets		3,572,010	3,213,479
TOTAL ASSETS		9,598,813	9,537,159
LIABILITIES AND RESERVES			
Current Liabilities			
Account payable and other credit balances	9	1,093,232	1,237,839
Related parties payable	5	-	47,779
Deferred revenues		130	272
Total Liabilities		1,093,362	1,285,890
Reserves			
General reserves		430,026	502,570
In exchange for property and equipment (Capital)		5,417,248	5,090,522
In exchange for the center's employees housing fund payable		2,658,177	2,658,177
Total Reserves		8,505,451	8,251,269
TOTAL LIABILITIES AND RESERVES		9,598,813	9,537,159

The accompanying notes form part of these financial statements

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

Statement of revenues and expenses for the year ended December 31, 2024

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Revenues		JD	JD
Securities ownership transfer commission	10	1,140,578	1,370,509
Membership, subscriptions, registration of bonds and corporate bonds fees	11	1,588,097	1,595,436
Charges, fees and fines	12	24,265	39,142
Other revenues, net	13	<u>158,728</u>	<u>79,620</u>
Total revenues		<u>2,911,668</u>	<u>3,084,707</u>
Administrative expenses	14	(2,233,087)	(2,042,925)
Future liabilities and tender expenses		<u>(400,000)</u>	<u>(340,000)</u>
Surplus		<u><u>278,581</u></u>	<u><u>701,782</u></u>

The accompanying notes form part of these financial statements

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

Statement of changes in reserves for the year ended December 31, 2024

	<u>General reserve</u>	<u>In exchange for property and equipment (Capital)</u>	<u>In exchange for the center's employees housing fund</u>	<u>Total</u>
	JD	JD	JD	JD
Balance as at January 1, 2023	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
Transferred from in exchange for property and equipment to general reserve	251,445	(251,445)	-	-
Transferred from future liabilities and tenders reserve to in exchange for property and equipment	-	578,171	-	578,171
Transferred to Ministry of Finance	(602,570)	-	-	(602,570)
Surplus	278,581	-	-	278,581
Balance as at December 31, 2024	430,026	5,417,248	2,658,177	8,505,451

The accompanying notes form part of these financial statements

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

Statement of cash flows for the year ended December 31, 2024

	2024	2023
	JD	JD
Cash Flows From Operating Activities		
Surplus	278,581	701,782
Adjustments for:		
Expected credit losses on brokers and members receivables	191,622	191,038
Recovery of provisions	(134,091)	(53,710)
Amortization	6,240	5,369
Depreciation	213,220	89,464
Gains on sale of property and equipment	(2,375)	(1,081)
Future liabilities and tender expenses	400,000	340,000
Transferred from deferred revenues	(142)	(110)
Changes in operating assets and liabilities:		
Accounts receivable and other debit balances	(10,268)	(113,998)
Related party receivable	(736)	-
Account payable and other credit balances	33,564	(13,631)
Related parties payable	(47,779)	8,233
Net cash from operating activities	927,836	1,153,356
Cash Flows From Investing Activities		
Purchase of intangible assets	(26,000)	-
Payments on project under construction	-	(53,051)
Purchase of property and equipment	(552,171)	(291,897)
Proceed from sale of property and equipment	2,555	1,380
Net cash from investing activities	(575,616)	(343,568)
Cash Flows From Financing Activities		
Transferred to Ministry of Finance	(602,570)	(937,957)
Net cash from financing activities	(602,570)	(937,957)
Net change in cash and cash equivalents	(250,350)	(128,169)
Cash and cash equivalents - beginning of year	6,202,519	6,330,688
Cash and cash equivalents - end of year	5,952,169	6,202,519
Information about non-cash transaction		
Transferred from tender and future liabilities to property and equipment (Capital)	578,171	449,526
Transferred from exchange for property and equipment (Capital) to general reserve	251,445	24,946
Transferred from projects under construction to property and equipment	-	157,629
Transferred from tender and future liabilities to general reserve	-	75,842

The accompanying notes form part of these financial statements

Securities Depository Center
Legal Entity with Financial and 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 11, 2025.

2. Basis for preparation of financial statements and material 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.

2-3 Standards and Interpretations issued that became effective

Standard or interpretation number.	description	Effective date
IFRS NO.(16) Lease contract	Amendments that clarify how a seller-lessee subsequently measures sale and leaseback transaction	January 1, 2024
Amendments to IAS no. (1)	Amendments to financial statements presentation clarifies the Classification of Liabilities as Current or Non-current based on the contractual arrangements in place at the reporting date. Classification is neither affected by entity's expectation nor do events occur after financial report date.	January1,2024 (Deferred from January 1,2022)
Amendments to IAS no.(7) and IFRS no.(7)	Amendments ask entities to provide qualitative and quantitative information about supplier finance arrangements	January 1, 2024

Standards and Interpretations issued but not yet effective

Standard or interpretation number	Description	Effective date
Amendments to IAS(21)	Lack of Exchangeability of foreign currencies as usual	January 1,2025
Amendments to IFRS (7) and (9)	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
IFRS (18) Issued	Presentation and disclosure in financial statements that will replace IAS 1 (Presentation of Financial Statements)	January 1,2027
IFRS (19) Issued	disclosure requirements for subsidiaries without Public Accountability	January 1,2027

2-4 Summary of material 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:

<u>Category</u>	<u>Amortization rate</u>
	<u>%</u>
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 :

<u>Category</u>	<u>Depreciation rate</u>
	<u>%</u>
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

	2024	2023
	JD	JD
Current account at Central Bank	5,939,762	6,151,812
Current account at bank	12,407	50,707
Total	5,952,169	6,202,519

4. Accounts receivable and other debit balances

	2024	2023
	JD	JD
Brokers and members receivables	1,244,762	1,218,856
Less: Allowance for expected credit losses on brokers and members receivables (*)	(1,244,762)	(1,218,856)
Net brokers and members receivables	-	-
Prepaid expenses	61,110	86,437
Accrued revenues	6,214	6,157
Work advance	2,407	670
Refundable deposits	2,132	2,132
Prepayments to suppliers	1,392	9,379
Employees receivables	371	-
Other receivables (**)	272	16,386
Total	73,898	121,161

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

	2024	2023
	JD	JD
Balance - beginning of year	1,218,856	1,081,528
Provided during the year	189,261	191,038
Recovery of allowance for brokers and members receivables	(134,091)	(53,710)
Receivables quench in provision	(29,264)	-
Balance - end of year	1,244,762	1,218,856

(*) Other receivables item consist of the following:

	2024	2023
	JD	JD
Legal receivables	2,361	-
other	272	16,386
Less: Allowance for expected credit losses (*/**)	(2,361)	-
Net	272	16,386

(*/**) The movement of allowance for expected credit losses on other receivables during the year is as follows:

	2024	2023
	JD	JD
Provided during the year	2,361	-
Balance - end of year	2,361	-

5. Related parties

- a) Related party receivable represents Amman Stock Exchange receivable.
b) Related parties payable item represents the following:

	2024	2023
	JD	JD
Amman Stock Exchange	-	31,886
Jordan Securities Commission	-	15,893
Total	-	47,779

6. 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.

7. Intangible assets

2024	Computer softwares
Cost	JD
Balance - beginning of year	999,492
Additions	26,000
Balance - end of year	1,025,492
Accumulated amortization	
Balance - beginning of year	999,395
Amortization	6,240
Balance - end of year	1,005,635
Net	19,857
2023	
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

Securities Depository Center
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Amman-The Hashemite Kingdom of Jordan

Notes to the Financial Statements for the year ended December 31, 2024

8. Property and equipment

	Land (*)	Equipment and computer networks	Office equipment	Building (*)	Furniture	Vehicles	Total
2024	JD	JD	JD	JD	JD	JD	JD
Cost							
Balance - beginning of year	152,916	1,527,252	406,728	1,698,467	155,182	150,486	4,091,031
Additions	-	531,427	20,135	-	609	-	552,171
Disposals	-	(217,262)	(27,220)	-	(6,962)	-	(251,444)
Balance - end of year	152,916	1,841,417	399,643	1,698,467	148,829	150,486	4,391,758
Accumulated depreciation							
Balance - beginning of year	-	1,358,630	244,128	1,636,319	147,089	149,660	3,535,826
Depreciation	-	162,499	45,502	3,239	1,739	241	213,220
Disposals	-	(217,166)	(27,172)	-	(6,926)	-	(251,264)
Balance - end of year	-	1,303,963	262,458	1,639,558	141,902	149,901	3,497,782
Net	152,916	537,454	137,185	58,909	6,927	585	893,976
2023							
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

(*) 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

	2024	2023
	JD	JD
Tenders and future liabilities provision (*)	930,953	1,109,124
Accrued expenses	54,958	40,628
Unearned revenues	50,006	38,734
Accrued Board of Directors remunerations	22,325	20,524
Accounts payable	17,686	16,500
Cash guarantees - received from other	7,758	8,497
Income and sales tax deposits	4,112	1,083
Other deposits	3,141	12
Employees deposits	2,293	2,737
Total	1,093,232	1,237,839

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

	2024	2023
	JD	JD
Balance - beginning of year	1,109,124	1,294,492
Transferred to in exchange for property and equipment (Capital)	(578,171)	(449,526)
Transferred to general reserve	-	(75,842)
Provided during the year	400,000	340,000
Balance - end of year	930,953	1,109,124

10. Securities ownership transfer commission

	2024	2023
	JD	JD
Securities traded in the market (*)	1,021,266	1,209,836
Securities excluded from trading (**)	119,312	160,673
Total	1,140,578	1,370,509

(*)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.

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

	2024	2023
	JD	JD
Annual subscriptions and membership fees (*)	1,398,222	1,421,603
Registration of bonds fees (**)	131,125	137,583
Registration of islamic instrument fees (***)	58,750	36,250
Total	1,588,097	1,595,436

(*) 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.

12. Charges, fees and fines

	2024	2023
	JD	JD
Direct connection fees	7,500	7,700
Security issuer fees	6,922	8,650
Security owner services fees	6,899	7,448
Bank transfer fees	2,904	2,957
Transfer and open accounts fees and brokers fines	40	12,387
Total	24,265	39,142

13. Other revenues, net

	2024	2023
	JD	JD
Recovery of provisions	134,091	53,710
Management allowance of Settlement Guarantee Fund (*)	21,690	22,200
Gains on sale of property and equipment	2,375	1,081
Sale of tenders copies and tender delay execution fines	300	1,450
Other	272	1,179
Total	158,728	79,620

(*) 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.

14. Administrative expenses

	2024	2023
	JD	JD
Salaries, wages and related benefits	1,142,980	1,048,268
Maintenance	239,520	290,258
Depreciation	213,220	89,464
Expected credit losses on brokers and members receivables	191,622	191,037
Social security contribution	131,885	122,230
Communications	47,365	53,405
Electricity and water	41,358	36,107
Rents	39,680	39,674
Board of directors remunerations and transportation	37,772	28,964
Cleaning	20,056	21,128
Security	18,875	15,994
Bank expenses	11,969	11,342
Professional fees	11,471	11,039
Center's contribution to saving fund	9,367	8,536
Stationery and printings	9,021	8,646
Subscriptions	8,794	8,788
Travel and transportation	7,807	4,101
Advertisement	7,422	4,235
Miscellaneous	6,833	8,875
Training	6,491	7,251
Amortization	6,240	5,369
Hospitality	5,636	5,757
Fuel	5,379	7,756
Legal fees	3,751	6,682
Insurance	3,579	2,702
Vehicles expenses	2,652	3,498
Board of directors secretary fees	2,342	1,819
Total	2,233,087	2,042,925

15. Legal cases

The value of legal cases raised by other against Securities Depository Center and other parties amounting to JD 40,531,100 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 .

16. Risk management

c) 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.

d) 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.

e) 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.

f) 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.

g) 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.

h) 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	
	2024	2023	2024	2023
	JD	JD	JD	JD
Financial assets:				
Cash and cash equivalents	5,952,169	6,202,519	-	-
Accounts receivables and other debit balances	11,396	25,345	-	-
Related party receivables	736	-	-	-
Center's employee housing fund	-	-	2,658,177	2,658,177
Total	5,964,301	6,227,864	2,658,177	2,658,177
Financial liabilities:				
Account payable and other credit balances	112,273	89,981	-	-
Related parties payable	-	47,779	-	-
Total	112,273	137,760	-	-

17. 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.