



مركز إيداع الأوراق المالية  
Securities Depository Center

# 2019

## Annual Report

Twenty Years of Achievement



**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

In the Name of Allah

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

Ladies and gentlemen may Allah's peace, mercy, and blessings be upon you,

It is my pleasure to welcome you on behalf of my fellow members of the Board of Directors of the Securities Depository Center and in my name personally for your attendance at the twenty-first meeting of the General Assembly of the Securities Depository Center, which has passed over twenty years of its professional career characterized by giving, achievement and hard work in the service of this most valuable country and its highness and glory.

I present the annual report of the results of the SDC's work during the year 2019, including its financial data, and the report of the auditors as of 31/12/2019. The report also includes details of the operations executed by the SDC during the past year, and the most prominent developments and achievements.

I take this opportunity to extend my thanks to all of you, as you are the partners of the SDC in its professional career, and the basic foundations for its formation and development for your continuous support and permanent cooperation in the pursuit of the public interest and the service of investors in the Jordanian capital market.

As we take pride in our successive achievements and successes, we base our career on a set of pillars based on the rule of law, keeping pace with international standards and best practices, committed in all of that to supporting and developing the national economy, and harnessing all efforts and available capabilities and human and technical resources to create a safe investment environment attracting foreign and domestic investment alike.

Despite the challenges, the SDC will continue all efforts to perform its tasks and works, which are essential pillars in supporting the Jordanian capital market, serving investors and managing risks. The staff of the SDC will perform maximally to achieve national goals and visions.

Finally, I would like to extend my sincere thanks and gratitude to all members of the Board of Directors of the SDC and its employees, and to both the Jordan Securities Commission (JSC) and the Amman Stock Exchange Company (ASE) for the efforts made by them in support of the Jordanian capital market process in order to enhance investor confidence and stimulate and support the national economy.

May Allah help us all for the elevation of our nation, to achieve more achievements and improve the provided services, and to achieve the visions of His Majesty King Abdullah II bin Al Hussein, may Allah protect him.

**Ismail Alhajaj**  
Chairman

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## Chief Executive Officer's Statement

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

It is my pleasure to welcome your attendance at the twenty-first annual meeting of the General Assembly of the Securities Depository Center (SDC), and it is my great pleasure to present to you the twentieth annual report that shows the most prominent works and achievements of the SDC during the year 2019, which includes the most important achievements of the SDC during the past year, the future plan as well as the financial data. The SDC worked for the past twenty years to continue its duties and work within the legislation in force at the SDC.

#### Dear esteemed attendance

The SDC undertakes the tasks of securities registration, deposit, safekeeping, and transfer of ownership. During 2019, the SDC registered and deposited the shares issued by the public shareholding companies. The SDC executed corporate actions including capital increase resulting of capitalization or private subscription, and capital decrease. Furthermore, the SDC conducted electronic clearing and settlements for trading contracts executed at the Amman Stock Exchange (ASE) through the Real Time Gross Settlement System – Jordan (RTGS - JO).

Derived from the SDC's concern to protect investors, the SDC developed its electronic services and later to launch the "e-portfolio" service, which enables the investor to view his ownership of the deposited securities and follow up all transactions executed on the investor's securities accounts, the SDC provided a new service to investors aiming to enhance communication mechanisms and create new channels by using short message applications (SMS) in order to enable investors to follow complementary trading operations on their accounts from the sale and / or purchase of securities at the (ASE).

Based on the SDC's belief in the importance of accomplishing more achievements, the SDC is developing and upgrading the SDC's electronic system (SCORPIO®) and sub-systems to keep up with the recent and evolving developments in the field of applications and databases, and advanced web technology which contributes positively in saving time and effort, spending in completing businesses and dealing with systems' applications easily. Moreover, the SDC completed the first phase of the inter-connect with the Central Bank of Jordan through VPN to be effective as a back-up

line for the SWIFT system in order to ensure workflow and reduce costs, the SDC also completed the first phase of the documents and archives management system.

As for the future plans, the SDC will finalize the project of the documents and archives management system, the SDC also will complete the requirements of the project to connect with the Central Bank of Jordan through VPN to raise the level of security and protection, the SDC will hold the registers of all government bonds in cooperation with the Central Bank of Jordan to activate the Jordanian bonds market, the SDC also seeks to develop and introduce new services such as lending and borrowing, and short selling, in addition to expanding the beneficiaries' base of the Electronic Lien System, later to providing Income & Sales Tax Department and Social Security Corporation with the electronic lien system, the SDC is seeking to provide this system to other parties impose lien such as the Jordanian Ministry of Justice and the Water Authority.

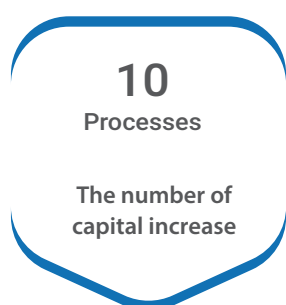
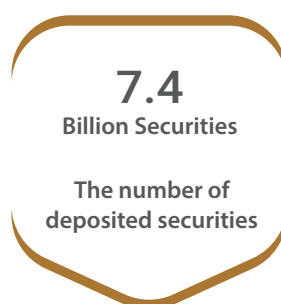
In the same context, the SDC will make the necessary updates to the SDC's electronic systems to carry out financial settlements for block trades directly through directly the SDC on a (DvP) method, the SDC will develop a mechanism in which the data of the SDC's members, including the financial brokers, will be updated from the SDC's electronic system (SCORPIO®) to the internal brokers' systems (Back Office), using the "Web Service" technology, which ensures the safety of data transmission without direct intervention of the broker in this process, finally, the SDC will update and develop comprehensive business continuity and disaster recovery plan.

Finally, I extend my thanks and appreciation to the Jordan Securities Commission and the Amman Stock Exchange, and also express my sincere thanks and gratitude to all members of the General Assembly of the SDC for their continuous support and all the SDC's employees, which enabled the SDC to contribute to the development of the Jordanian national economy under the patronage of His Majesty King Abdullah II Ibn Al-Hussein, may Allah protect him.

**Khalil Naser**  
Chief Executive Officer

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## Illuminations of the year 2019



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### Our Vision

Internationally distinguished organization contributing effectively in enhancing safe, sound and stable investment environment to support national economy.

### Our Mission

Safekeeping, clearing and settlement of securities according to international standards and best practices, improving the level of services, relying on qualified human resources and high technology in addition to adopting excellence culture

### Our Objectives

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





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## Overview of the SDC

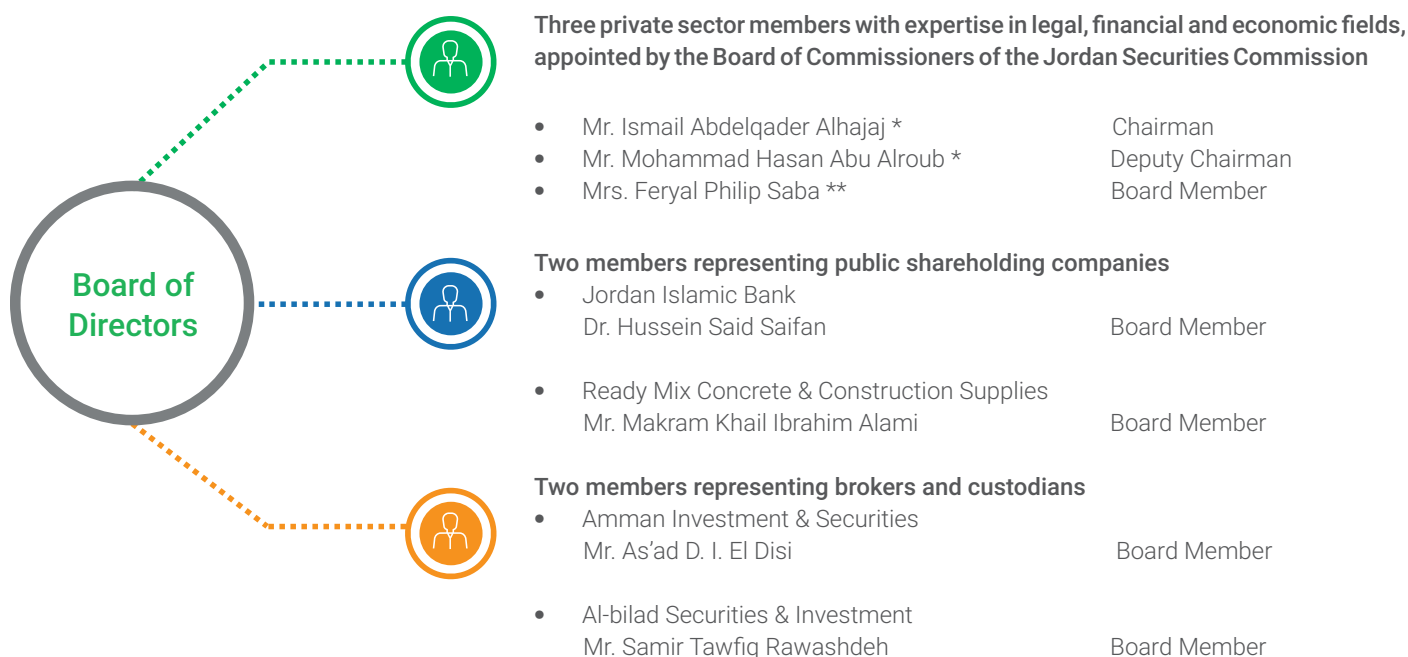
### Establishment and Responsibilities

The SDC commenced operation in May 1999 and is the only entity in the Kingdom that is legally empowered to oversee the responsibilities shown in the diagram:



### SDC's Management

The SDC's governance structure consists of a board of directors which establish 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:



The Board of Directors was formed at the General Assembly meeting of the SDC at its meeting held on 19/03/2018.

\* The SDC's board of directors decided to elect Mr. Ismail Abdelqader Alhajaj to be the Chairman of the board and to elect Mr. Mohammad Hasan Abu Alroub to be the Deputy Chairman as of 21/10/2019.

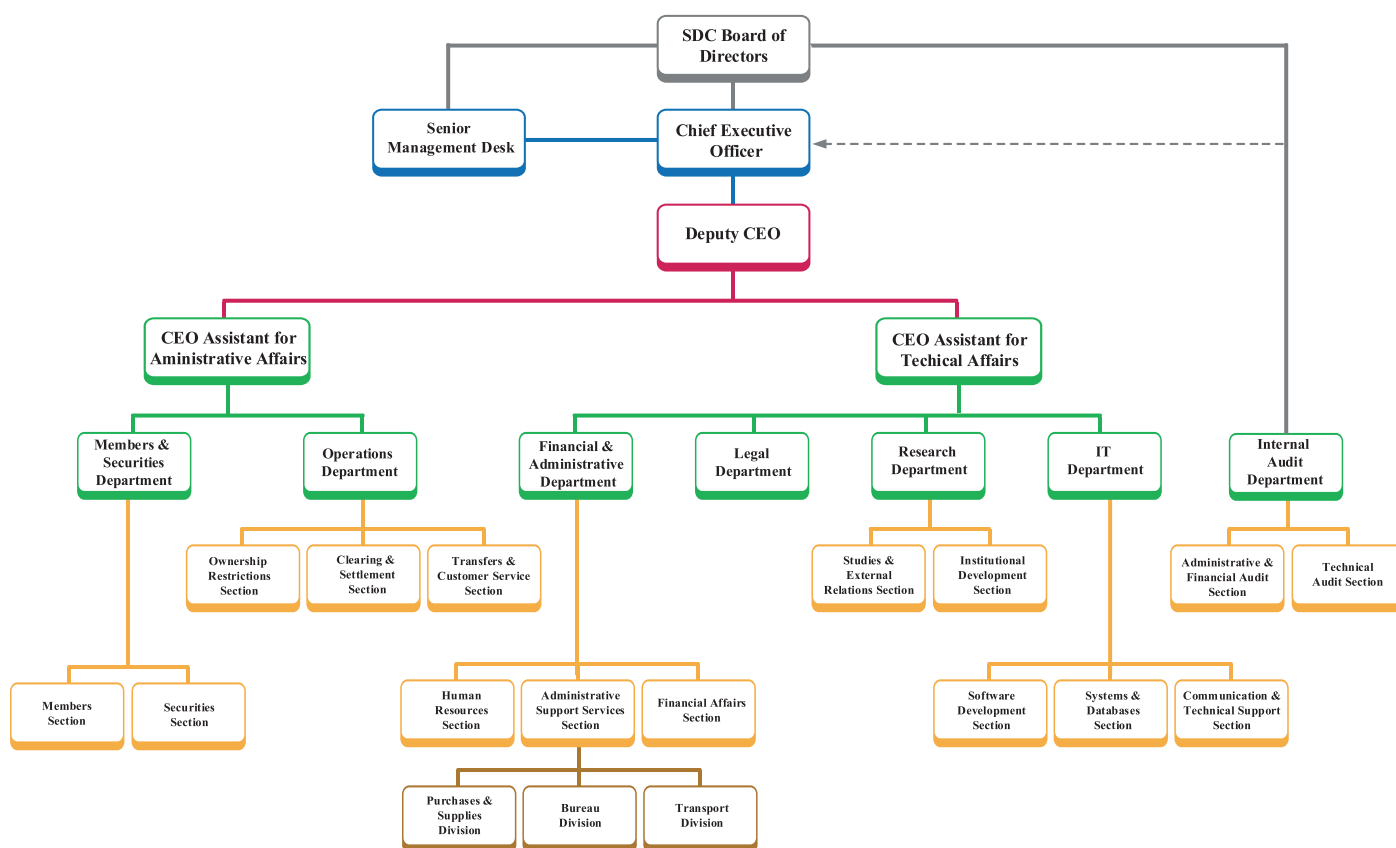
\*\* Mrs. Feryal Philip Saba appointed as the member of the SDC's board of directors as of 30/10/2019

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Beside the Board of Directors, the Chief Executive Officer, Mr. Khalil Naser, 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 seven departments.

### Organizational Structure

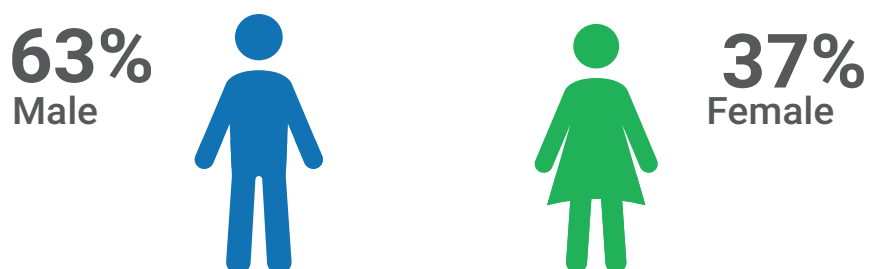


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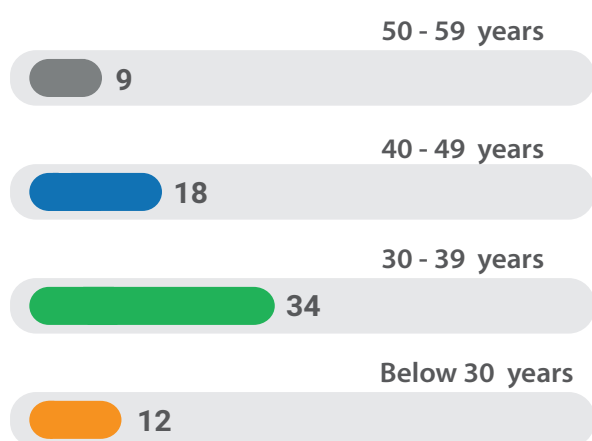
## Human Resources

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 as of 31/12/2019.

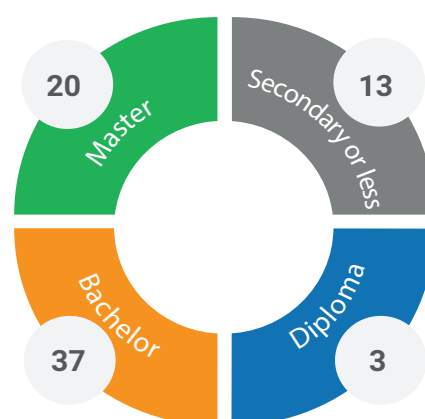
Distribution of employees by gender



Distribution of employees by age group

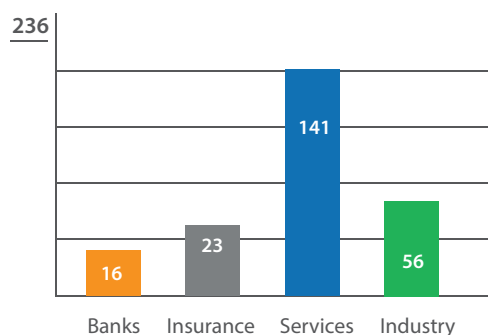


Distribution of employees by educational qualification

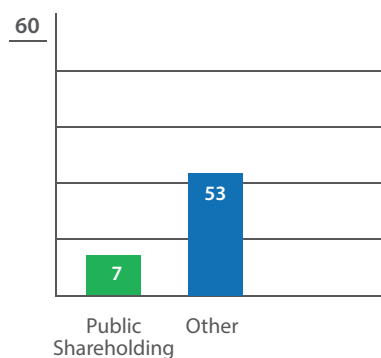


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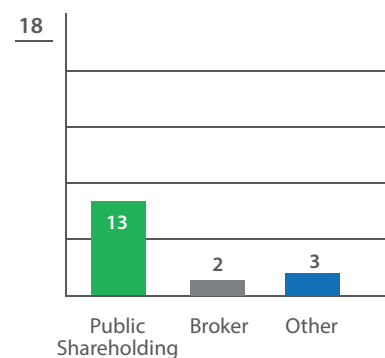
## SDC's Members



Public Shareholding Companies



Brokers



Custodians

## 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 Exchanges - FEAS)



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## SDC Website (www.sdc.com.jo)

Based on the SDC continuous seeking in enhancing transparency and disclosure, the SDC also publishes all the information that matter to the investors through its website on the Internet (www.sdc.com.jo) as the following:



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## The Milestones of the SDC in 20 years

### 2018

- The SDC launched the "e-portfolio" service where the investors can view their information and personal data, securities' accounts maintained with brokers and custodians, balances of securities which is updated daily according to trades executed at the Amman Stock Exchange (ASE), and statements of securities' accounts showing all transactions executed on the investor's securities accounts.
- Adding the subsidiaries to all public shareholding companies at the SDC's database and combine its data with its parent public shareholding company. In order to achieve the requirements of the Jordan Securities Commission (JSC) of this project, the SDC, in cooperation with the JSC, established a technical and functional environment which enables the JSC to control the trading of subsidiaries and activate its role of control.
- Developing the system to be in-line with the new requirements of the law of Income & Sales Tax for 2018.
- The SDC won the membership of the Association of National Numbering Agencies (ANNA)'s board of directors.

### 2017

- Signing the Disaster Recovery Site Hosting and Services Agreement with the National Centre for Security and Crisis Management.
- Developing and updating the SDC's electronic system.
- The SDC issued the Registration, Deposit and Settlement of Securities Instructions of the year 2017 and the Internal by-law of the Settlement Guarantee Fund of the year 2017 as a result of the development of the settlement cycle.
- Developing the system to be in-line with the new requirements of the Association of National Numbering Agencies (ANNA).
- Setting-up and developing the SDC's system for trading and settlement of the saving bonds.
- Developing a system for the Central Bank of Jordan to follow up the registers of the government securities.

### 2016

- Providing the electronic lien system to the Social Security System.
- Developing and updating the SDC's electronic system.
- Creating an official account on the Facebook which is SDC Jordan.
- Developing a new mechanism in the securities settlement system by issuing SWIFT transfer according to the ISO 20022.
- Adding the Ticker in the SDC's website ([www.sdc.com.jo](http://www.sdc.com.jo)).
- Updating the service booklet and issuing the service cards for all the services it offers and the SDC published them on its website in line with the general framework of the Charter of Government Services.

### 2015

- Developing the mechanism of the transferring payments of securities electronically through SWIFT, where the SDC has become a direct participant in the Real Time Gross Settlement System - (RTGS-JO).
- Developing the SDC's security and safety network.
- Developing the online account viewing system.

### 2014

- Increasing the level of security and safety of the communication lines with the CBJ's the (RTGS-JO). The SDC also increased the level of security and safety of the SDC's systems main databases.
- Developing the online account viewing service by developing the system's design, enhancing the security and safety, and making this service available through public browsers installed on personal computers.
- The capital market institutions issued the instruction of Islamic financing Sukuk.



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## 2013

- Developing and updating its electronic systems related to constraints on the investors' accounts.
- Developing the brokers and custodians systems.
- Setting-up, by the Jordan capital market institutions, the legal Infrastructure of the Islamic Sukuk.

## 2012

- Developing the issuers systems.
- Introducing the (Web Services) within its electronic service on the website so the beneficiaries can obtain data automatically with high speed.
- Updating Business Continuity and Disaster Recovery Plan.

## 2011

- Developing its electronic systems related to investors' identification and securities' account set-up.
- Introducing the (Electronic Lien System) and signing an agreement with the Department of Income Tax and Sales to impose the lien electronically in order to enhance the flexibility of procedures which in turn serve the public interest.
- Continuing to update the technical measures necessary to implement the Business Continuity and Disaster Recovery Plan.

## 2010

- Continuing to complete updating the technical measures to implement the Business Continuity and Disaster Recovery Plan.
- Developing its electronic environment represented by SCORPIO®.
- Introducing of a package of updates and improvements to the Members' Area System.
- Adding "Corporate Actions" section on the SDC website that provide the possibility to get aggregated or detailed data using various search options.
- Adding a new set of graphs on the SDC's website.
- The SDC rating is A<sup>+</sup> by Thomas Murray Company.

## 2009

- Tight Coupling between SDC's systems and ASE's trading system.
- The SDC's rating has been raised to A<sup>+</sup> by Thomas Murray Company.
- The SDC won the membership of the Association of National Numbering Agencies (ANNA)'s board of directors. Thus, it is considered the only Arab CSD wins the membership of this institution.
- Publishing corporate actions of its members of public shareholding companies including increase of capital (private subscription, public subscription, and capitalization), or decrease of capital, or name change through SDC's website.
- Publishing information related to restricted securities.
- Publishing some financial ratios and its indications of the public shareholding companies on the SDC website, including (Return on Investment, Return on Equity, Debt Ratio, Book Value per share, Dividends per share Earnings per share, Dividends payout Ratio, Yield per share, Market to Book Ratio, and Price Earnings Ratio).
- Publishing the requirements of the services through the website.
- Enhancing the SDC electronic environment represented by SCORPIO®.

## 2008

- Publishing the ownerships and trading of the public shareholding companies' board of directors' members and representatives and shareholders who own (1%) or more from the share capital of public shareholding companies.
- Establishing the Knowledge Base.
- Making several enhancements on the SDC's system SCORPIO®.
- Providing the Investment Unit of the Social Security Corporation with an electronic system that enables viewing the securities' ownership and accounts of the Social Security Corporation.
- Developing special programs that are restrictions system and regulating investments system in addition to programs related to security and authorizations' distribution.
- Developing the new financial settlements system.
- Executing Business Continuity and Disaster Recovery Plan.
- Opening Irbid Branch.
- The trustees' board of King Abdullah II Award for Excellence in Government Performance and Transparency has nominated SDC to participate in this award.

## 2007

- Developing its electronic environment represented by SCORPIO®.
- Launching the Initial Public Offering "e-IPO" and Members' Area services through its website.
- Opening Shmeissani Branch.
- Publishing the ownerships and trading of the public shareholding companies' board of directors' members and representatives and shareholders who own (5%) or more from the share capital of public shareholding companies.

## 2006

- Developing the SDC's website.
- Developing pledge system.
- Applying private subscription system.
- Trading in Rights.
- Developing public subscription system.
- Maintaining the ownership's registers of bonds and corporate bonds.
- Signing the securities deposit agreements with other depositories.
- Providing new services to investors and researchers.
- Updating surveillance system for the capital authority in Jordan.
- Business resumption measures:
- New disaster recovery site
- Business continuity plans

## 2005

- Assigning electronic mailbox to all members and other concerned parties.
- Implementing Delivery versus Payment (DvP).
- Executing corporate actions.
- Executing ownership restrictions on deposited securities.
- Providing additional services to investors.
- Implementing sub-custodian system.
- Developing pledge system.

## 2004

- Depositing authenticated securities.
- Establishing the settlement guarantee fund.
- Linking to the Central Bank of Jordan's RTGS-JO.

## 2003

- Updating securities ownership of all shareholders registers.
- Implementing the account level structure.
- Developing the SDC's SCORPIO® systems and software.
- Releasing of updated versions of SCORPIO's support systems: brokers, issuers and surveillance systems and a new version of the custodian system.
- Harmonizing the By-laws and Instructions in accordance with the new Securities Law no. (76) of 2002.
- Enhancing the WAN Network to provide online communication to the SCORPIO® system to facilitate services to the SDC members.
- Adopting Intranet Mail and Intranet Web for SDC members and employees.

## 2002

- Launching of clearing and settlement system.
- Commencement of issuer support system.
- Developing of surveillance system for JSC.
- Creation of system to track client investment history.
- Creation of the central registry system.

## 2001

- Commencement of document archival system.
- Jordan Capital Markets Wide-Area Network (WAN) operational.
- Introducing of Sharebook cleansing trial process.
- Processing of electronic inheritance and family transfers.
- Starting of awareness campaign for investors.
- Accrediting the SDC's database as the Jordan Capital Market's database.

## 2000

- Replacement of manual contracts with electronic transfer deeds (contracts) processing.
- Initiation of NIN-based (national identification number) client identification system.
- Issuance of Legislations.
- Applying settlement measures on a bilateral basis between brokers directly.

## SDC's Accomplishments in 2019

- **Developing and updating the SDC's electronic system "SCORPIO®"**

The SDC continuously develop its electronic system (SCORPIO®) to keep up with the latest developments in the field of the SDC business and the requirements of the Jordanian capital market that contribute positively in saving time and efforts in performing operations and dealing with the system easily, therefore, the SDC upgraded a set of the mechanism and sub-systems which are the most prominent:

1. Developing the SDC's system to comply with the new legislations related to the Settlement Guarantee Fund in terms of excluding trading related to settlement contracts acceptable by the custodian from the equations for calculating the broker's guarantees as a bank guarantee and cash contribution.
2. Developing the SDC's system for the purpose of developing the authorizations system.
3. Developing a mechanism in the issuers system to enable the public shareholding companies to download the ownership restrictions of their shareholders.
4. Introducing a mechanism to update data of the Jordanian natural persons through direct connection with the Civil Status and Passport Department by the Web Service.
5. Developing the lien system to be in-line with the requirements of the law of Income & Sales Tax.

- **Upgrading the SDC's electronic system "SCORPIO®"**

The SDC finished to develop the SDC's electronic system (SCORPIO®) and sub-systems to keep up with the recent and evolving developments in the field of applications and databases, and advanced web technology which contributes positively in saving time and effort, spending in completing businesses and dealing with systems' applications easily. The SDC finished upgrading its electronic system to the latest version of Oracle technologies in order to keep up with the technological developments and overcome the challenges encountered by the system users. Additionally, to upgrade the system to be unified in structure with the latest technologies (Standardized and new technology system) without prejudice to the functional tasks of the system that are in-line with the legislations, tasks, and procedures which are in force at the SDC.

- **"SMS Messages" service**

Derived from the SDC's concern to develop its electronic services and later to launch the "e-portfolio" service, which enables the investor to view his ownership of the deposited securities and follow up all transactions executed on the investor's securities accounts, the SDC provided a new service to investors aiming to enhance communication mechanisms and create new channels by using short message applications (SMS) in order to enable investors to follow complementary trading operations on their accounts from the sale and / or purchase of securities at the Amman Stock Exchange.

- **Developing documents and archives management system**

The SDC completed the first phase of the project of developing a documents and archives management system, where it aims to shift from paper-based environment to the electronic environment in the field of managing and tracking the incoming and outgoing correspondences in addition to managing the memos, which will reduce time, effort, cost, and speed the completion of transactions and the ease of retrieval.

- **Connecting with the Central Bank of Jordan through the VPN**

To connect the (RTGS - Real Time Gross Settlement System) through (VPN - Virtual Private Network) to be a back-up line in case the SWIFT system breaks down, the Central Bank of Jordan approved (STP Adapter - Straight through Processing) in order to receive and send inter-bank transfer messages over the network (VPN), the SDC will purchase STP Adapter which is provided by the CMA company, and the SDC completed the first phase of developing special software to deal with STP Adapter. The adopted mechanism of messaging in the system is (SOAP Connectivity - Simple Object Access Protocol).

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## Training

A number of employees participated in the several training courses related to training needs, and developing the communication skills with audience, human resources management, professional development and succession planning, a government accountant program (financial legislation and government accounting procedures), new employee guidance, measurement and management of operational risks, database management with Oracle , and look ahead to the central storage units.

## Local Delegations

The SDC received student delegation from Zarqa University, Balqa University, and the University of Jordan in order to had general view about the most prominent achievements and developments have achieved by the Jordan capital market (JCM) in general and the SDC in particular.

The SDC also lectured on 03/02/2019 at the Royal Jordanian National Defense College for students in the 16th and the 25th national defense courses and the counterterrorism and extremism course, entitled "The Role of Capital Market Institutions in the National Economy".

In addition to the participation in the meeting held on 10/12/2019 with the Jordanian Senate and on 30/12/2019 with the Finance Committee in the Jordanian Parliament, the meeting was aimed at reviewing the most important developments in the national capital market.

## International Relations

At the external relations level with all organizations and associations related to capital markets, the SDC participated in a number of meetings and conferences that were held in 2019 and the most prominent:

- The Ordinary General Meeting of the Association of National Numbering Agencies (ANNA), which was held in Frankfurt, Germany, during the period 12-14/06/2019.
- The twenty-seventh meeting of the European Asian Stock Exchanges Association (FEAS) held in Bucharest - Romania during the period 13-14/06/2019.
- The twenty-eighth meeting of the European Asian Stock Exchanges Association (FEAS) held in Muscat - Sultanate of Oman during the period 22-23/10/2019.
- The thirtieth meeting of the Africa & Middle East Depositories Association (AMEDA), which was held in Muscat - Sultanate of Oman during the period 10-12/12/2019.

The SDC received a delegation from the Iraqi Securities Commission on 24/02/2019 aiming to enhance the mutual cooperation and exchange the experience between Arab capital markets.

The SDC also received many global custodians as part of the continuous market due diligence visits that are conducted on behalf of their clients from foreign investors to discuss issues regarding the capital market, the regulation in force, and any changes or plans for future development.

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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 2019.

## • 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 2019, the SDC terminated the membership of (9) public shareholding companies. Thus, the total number of public shareholding companies were (236) companies at the end of 2019. The total number of shares issued by these companies was (7,470,078,520) shares with a total value of (15,305,625,035.31JOD).

**Table represents the name of the public shareholding companies that are terminated its membership at the SDC during 2019**

#	Name of the public shareholding companies	The reason of membership termination at the SDC
1	The Arab International Food Factories & Investment	Transformation from the public shareholding company to the limited liability company
2	Arab Weavers Union	
3	Jordan Marble	Transformation from the public shareholding company to the private shareholding company
4	Al-qaria Food & Vegetable Oil Industries	Compulsory Liquidation
5	United Arab Investors	
6	Amana Agricultural & Industrial Investment	
7	Afia International (Jordan)	Voluntary Liquidation
8	Al-ekbal Printing & Packaging	
9	Palaces Real-estate & Development	

The SDC also registered and redeemed a number of government securities, corporate bonds, and Islamic Sukuk during the year 2019 as demonstrated in the table below.

**A table represents registered and redeemed government securities, corporate bonds, and Islamic Sukuk during the year 2019**

Issuer Name	Registered		Redeemed	
	No. of Issues	Total Value (million JOD)	No. of Issues	Total Value (million JOD)
Government of the Hashemite Kingdom of Jordan	85	5334	64	3385
Water Authority of Jordan	-	-	3	72.5
Jordan Mortgage Refinance	20	212	7	102
Capital Bank of Jordan	1	28.4	1	17.75
Jordan Trade Facilities	1	3	2	6
Bindar Trading & Investment	1	4.75	1	5



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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 (10) public shareholding companies, with a total of (88) million shares, and the decrease the capital of (8) public shareholding companies, with a total of (21) million shares.

**A table represents companies that increased their capital during the year 2019**

Increase mechanism	Company name	Amount of increase	Capital before increase	%of increase	Capital after increase
Capitalization	Jordan Islamic Bank	20,000,000	180,000,000	11 %	200,000,000
	Cairo Amman Bank	10,000,000	180,000,000	5.6 %	190,000,000
	Jordan Ahli Bank	7,717,500	192,937,500	4 %	200,655,000
	Shira' Real Estate Development & Investment	2,653,193	7,916,264	33.5 %	10,569,457
	Holy Land Insurance	4,868,691	5,000,000	97.4 %	9,868,691
	The Consultant & Investment Group	4,500,000	14,445,000	31 %	18,945,000
Private Subscription	Alia-the Royal Jordanian Airlines	28,205,128	246,405,342	11.4 %	274,610,470
	Middle East Pharmaceutical & Chemical Industries & Medical Appliances	5,000,000	1,250,583	399.8 %	6,250,583
	Middle East Complex For Engineering, Electronics & Heavy Industries	4,950,617	39,972,503	12.4 %	44,923,120
	Sheba Metal Casting	56,526	1,193,474	4.7 %	1,250,000
		33,922	1,159,552	2.9 %	1,193,474
<b>Total</b>		<b>87,985,577</b>	<b>870,280,218</b>	<b>10.11 %</b>	<b>958,265,795</b>

**A table represents companies that decreased their capital during the year 2019**

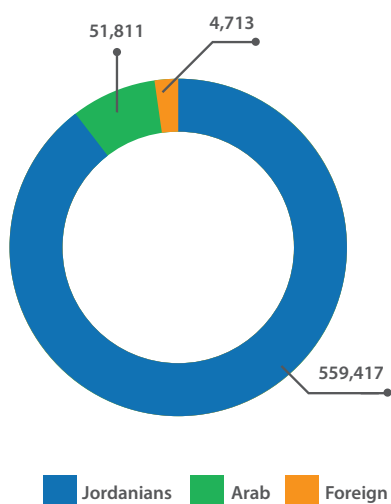
Increase mechanism	Company name	Amount of decrease	Capital before decrease	%of decrease	Capital after decrease
Redemption of losses	Darkom Investment	2,190,000	5,000,000	43.8 %	2,810,000
	Jordan Investment Trust	2,243,811	29,513,889	7.6 %	27,270,078
	Darat Jordan (holdings)	1,000,000	11,250,000	8.9 %	10,250,000
	International Company For Medical Investments	2,160,000	4,500,000	48 %	2,160,000
	Arab Electrical Industries	3,000,000	6,000,000	50 %	3,000,000
	Middle East Pharmaceutical & Chemical Industries & Medical Appliances	8,619,000	9,869,583	87 %	1,250,583
Excess cash distributed to the shareholders	Jordanian Expatriates Investment Holding	1,612,500	16,125,000	10 %	14,512,500
Reducing the unsubscribed part	General Mining	79,557	1,100,000	7 %	1,020,443
<b>Total</b>		<b>20,904,868</b>	<b>83,358,472</b>	<b>25.30 %</b>	<b>62,453,604</b>

Introduction	Major Events	<b>SDC's Performance</b>	Future Plan	Financial Statements
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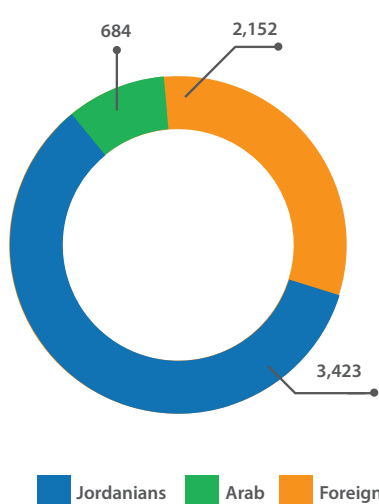
• **Investor Identification and Account Set-Up**

During the year 2019, the SDC defined (7,043) investors, the total number of investors total number of investors identified on the SDC's database was (623,319) investors as of 31/12/2019, of which (563,867) Jordanians, (52,569) Arabs and (6,883) foreign.

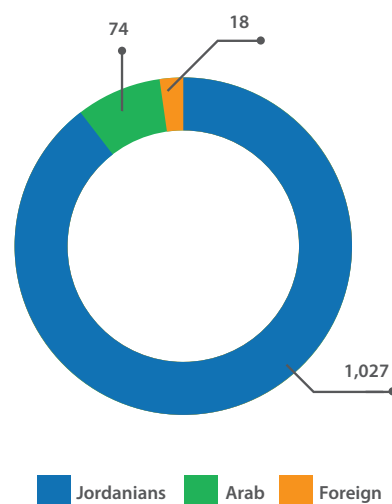
**Individual investors by nationality classification**



**Juridical investors by nationality classification**



**Joint investors by nationality classification**



Introduction	Major Events	<b>SDC's Performance</b>	Future Plan	Financial Statements
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## • Depositing Securities

The number of registers of securities deposited at the SDC was (299) registers as of 31/12/2019 of which (236) shares, (59) bonds and (4) Islamic Sukuk.

A table represents an analysis of registered ownership as of 31/12/2019

Description	Deposited	Non-deposited	% of Deposited	Total
No. Ownerships	547,039	84,561	86.61 %	631,600
No. Securities	7,428,435,538	42,588,077	99.43 %	7,471,023,615
Total Value	16,086,222,698.78	139,623,336.53	99.14 %	16,225,846,035.31

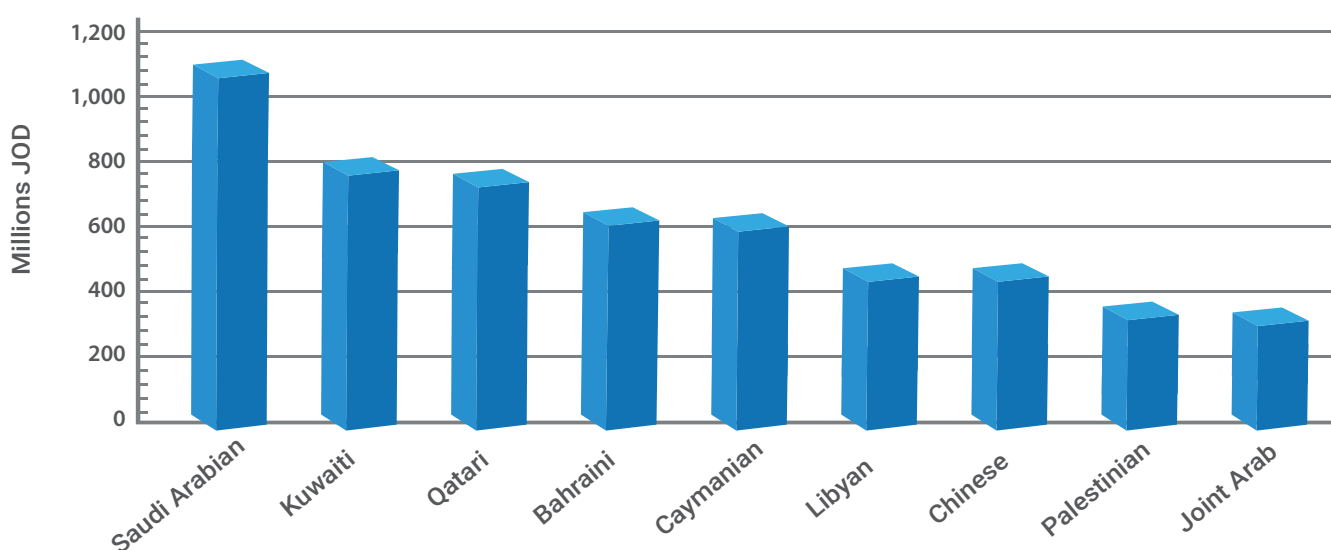
A table represents an analysis of deposited ownership as of 31/12/2019

Investor Type	Investor Category	Ownerships		Investors		Securities		Total Value	
		No.	%	No.	%	No.	%	Amount in JOD	%
Natural	Males	315,632	57.698	149,576	55.066	2,201,383,598	29.635	3,069,205,746.67	19.080
	Females	226,175	41.345	120,187	44.247	549,326,295	7.395	1,038,971,783.65	6.459
	<b>Total</b>	<b>541,807</b>	<b>99.044</b>	<b>269,763</b>	<b>99.313</b>	<b>2,750,709,893</b>	<b>37.29</b>	<b>4,108,177,530.32</b>	<b>25.538</b>
	Companies	4,028	0.736	1,411	0.519	3,831,340,612	51.577	8,781,686,731.32	54.591
	Mutual Funds	504	0.092	107	0.039	95,983,049	1.292	415,904,363.62	2.585
	Institutions	231	0.042	41	0.015	624,086,726	8.401	2,026,763,585.27	12.599
	Governments	60	0.011	12	0.004	74,562,246	1.004	509,770,604.87	3.169
Juridical	Organizations	159	0.029	77	0.028	37,770,124	0.508	205,783,411.58	1.279
	Municipalities	31	0.006	29	0.011	6,403,859	0.086	27,977,928.76	0.174
	Waqf	9	0.002	6	0.002	309,281	0.004	1,617,002.18	0.010
	Associations	12	0.002	4	0.001	530,381	0.007	1,320,381.52	0.008
	Religious Sects	7	0.001	5	0.002	6,504,079	0.088	6,358,626.61	0.040
	<b>Total</b>	<b>5,041</b>	<b>0.922</b>	<b>1,692</b>	<b>0.623</b>	<b>4,677,490,357</b>	<b>62.967</b>	<b>11,977,182,635.73</b>	<b>74.456</b>
Joint	Joint	191	0.035	175	0.064	235,288	0.003	862,532.73	0.005
<b>Deposited Grand Total</b>		<b>547,039</b>	<b>100</b>	<b>271,630</b>	<b>100</b>	<b>7,428,435,538</b>	<b>100</b>	<b>16,086,222,698.78</b>	<b>100</b>

Introduction	Major Events	<b>SDC's Performance</b>	Future Plan	Financial Statements
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• **Ownership of the ten highest nationalities**

The value of ownership for the top ten nationalities in the Jordanian capital market as of 31/12/2019 is approximately (7) billion shares, with a total value of (13.6) billion JOD, in which the ownership of Jordanians recorded the first rank of approximately (5) billion shares with a total value of approximately (8) billion JOD, and the chart below shows the details of the ranks of these nationalities according to the highest ownership in terms of total value after the ownership of Jordanians:



• **Balance Queries**

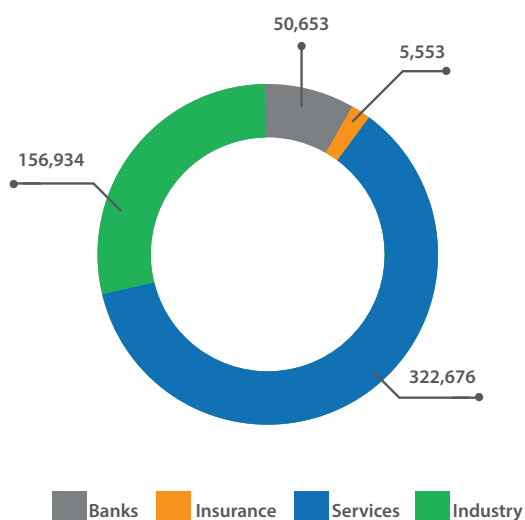
During the year 2019, the SDC issued (3,671) ownership notices in securities ownership notices that show their ownership balance in securities between different accounts for a specific date, in addition to issuing (567) an accounts statements that show all transactions executed on his securities during a period of time.

• **Clearing and Settlement**

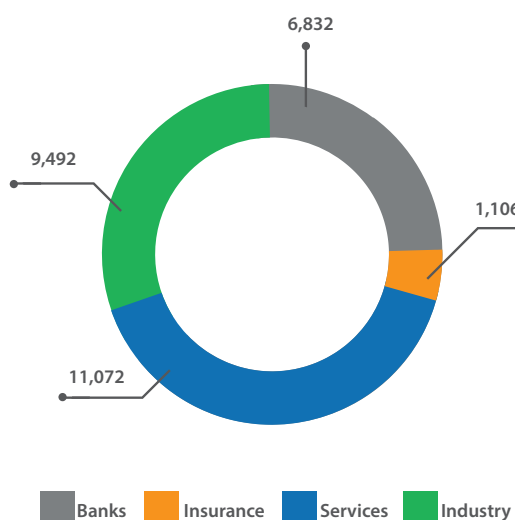
The SDC applied clearing and settlement measures for trading contracts executed at the ASE on the basis of Delivery versus Payment (DvP) where delivery of sold securities is against payment of funds. The number of electronic trading contracts that has been subjected to electronic clearing and settlement operations during the year 2019 were (535,746) contracts where (1.3) billion shares were transferred with a value of (1.5) billion JOD. Also, the total amounts received and paid through the settlement account of the SDC at the Central Bank of Jordan (CBJ) were (317) million JOD.

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 become a direct member for Real Time Gross Settlement System (RTGS-JO).

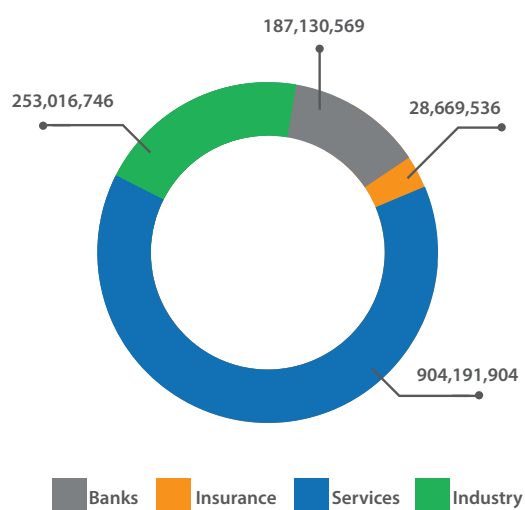
The Number of Executed Contracts including block trades Classified by Sector in 2019



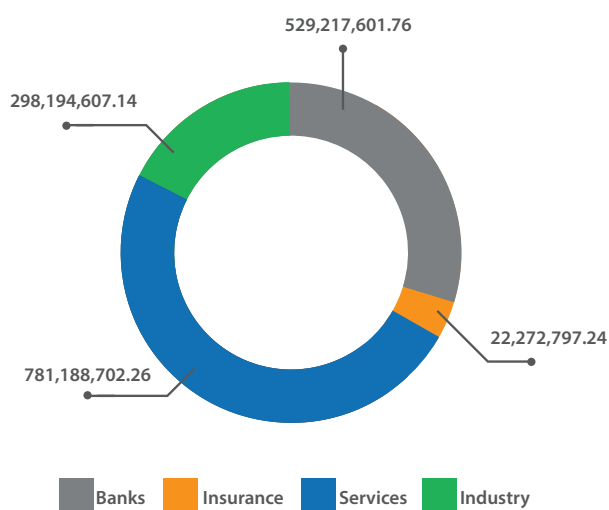
The Number of Investors including block trades Classified by Sector in 2019



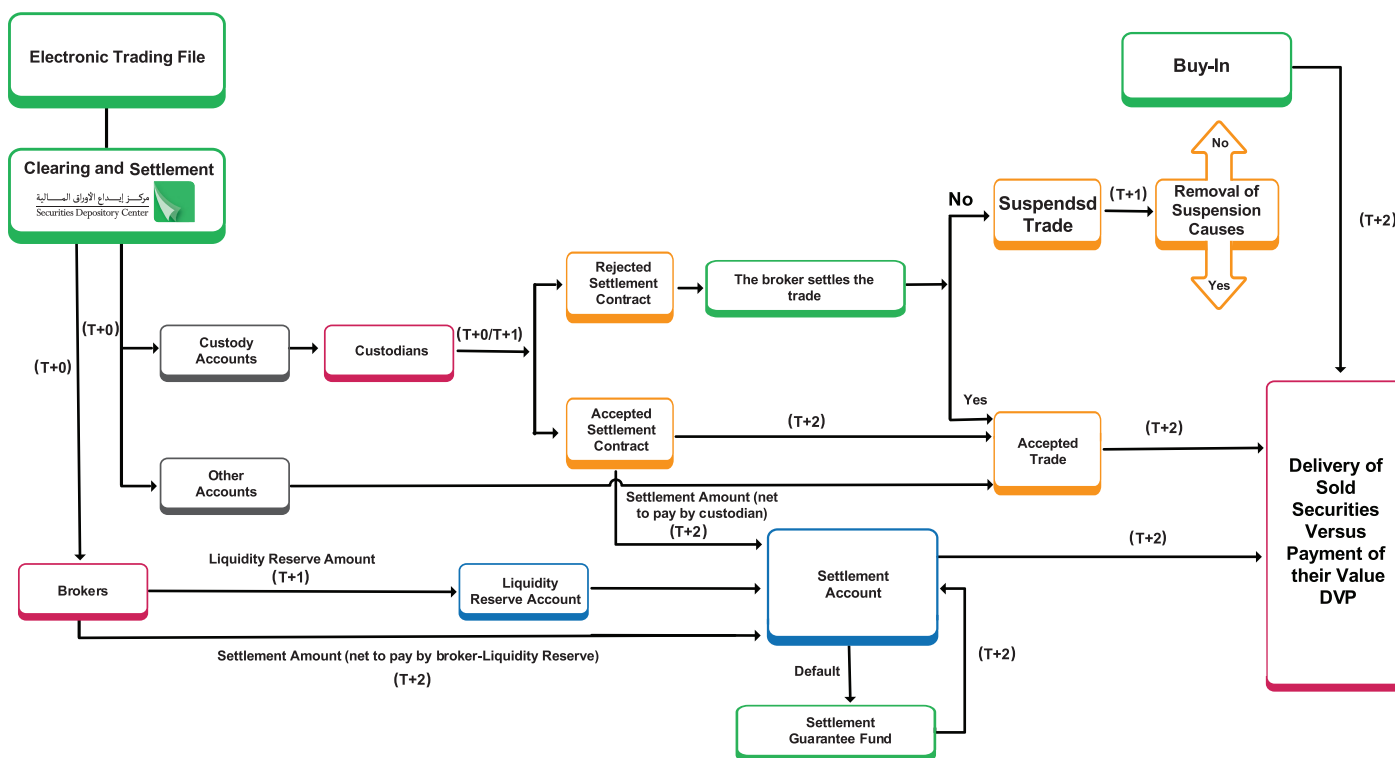
The Number of Traded Securities including block trades Classified by Sector in 2019



The Total Value of Executed Contracts including block trades Classified by Sector in 2019



Delivery versus Payment



A table represents settlements transactions 2019

Description	2019
<b>Amounts Received</b>	<b>317,133,091.40</b>
1      Liquidity Reserve (T+ 1)	130,950,522.00
2      Settlement Amount (T+ 2)	186,182,569.40
<b>Amounts Paid</b>	<b>317,133,091.40</b>
1      Settlement Payments(T+ 2)	316,045,194.54
2      Suspended Contracts (T+ 4)	1,087,896.86



Introduction	Major Events	<b>SDC's Performance</b>	Future Plan	Financial Statements
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## • 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:

- Covering the cash deficit of a fund member in connection with his purchases of securities.
- 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 (60) 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.

The following table outlines the Settlement Guarantee Fund contributions provided by financial brokers as of 31/12/2019:

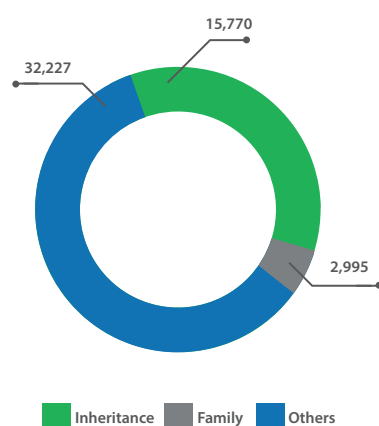
Payment Orders	5,323,000.00
Cash Contributions	1,570,000.00
<b>Total</b>	<b>6,893,000.00</b>

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 (300,000) JOD.

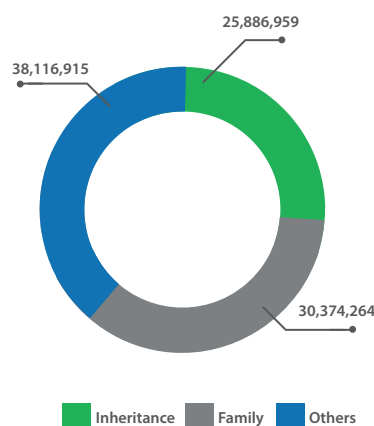
## • Transfers

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. In addition to carrying out transfers of ownership of non-listed securities and other transfers.

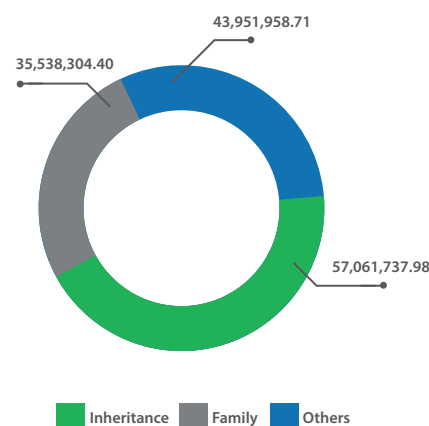
The Number of Contracts Exempted From Trading in 2019



The Number of Securities Exempted From Trading in 2019



The Total Value of Transactions Exempted From Trading in 2019



Introduction	Major Events	<b>SDC's Performance</b>	Future Plan	Financial Statements
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- Ownership Restrictions**

The SDC, is the only 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.

**A table represents ownership restrictions executed on deposited securities during 2019**

Transaction Type	Description	2019
<b>Pledge</b>	No. of Transactions	67
	No. of Securities	160,391,418
<b>Release of Pledge</b>	No. of Transactions	307
	No. of Securities	91,459,323
<b>Lien</b>	No. of Transactions	8,075
	No. of Securities	147,446,667
<b>Release of Lien</b>	No. of Transactions	8,397
	No. of Securities	242,173,137
<b>Freeze</b>	No. of Transactions	12
	No. of Securities	8,417,225
<b>Unfreeze</b>	No. of Transactions	11
	No. of Securities	818,115

- **Transferring the ownership's registers of the Government bonds to the SDC**

In cooperation with the Central Bank of Jordan, the SDC will take all the necessary measures to transfer the ownership's registers of the Government bonds to the SDC according to the decision of the prime ministry no. (436) at its meeting on 10/07/2016.

- **Settlements of Block Trades**

The SDC will carry out financial settlements for all block trades executed in the market unless the two selling and buying brokers agreed prior to execution to settle the block trade directly between them without the intervention of the SDC where the SDC's role is currently limited to transfer the ownership on the settlement day (T+2).

- **Connecting with the Central Bank of Jordan through the VPN**

After completing the first phase of connecting the (RTGS - Real Time Gross Settlement System) through (VPN - Virtual Private Network) to be a back-up line in case the SWIFT system breaks down, the SDC will complete the project by raising the level of safety and security of STP Adapter.

- **Developing and updating a comprehensive Business Continuity and Disaster Recovery Plan**

To complete the SDC's measures of risk management, the SDC will develop a comprehensive emergency plan in order to guarantee the continuity of operations in all circumstances according to the international standards and best practices. Also, the plan includes analysis of risks and potential problems to establish a preventive strategy to avoid risks and crisis and to cope with it in case of happening.

- **Developing documents and archives management system**

The SDC will complete the second phase of the documents and archives management system, where it aims to shift from paper-based environment to the electronic environment in the field of managing and tracking the incoming and outgoing correspondences in addition to managing the memos, which will reduce time, effort, cost, and speed the completion of transactions and the ease of retrieval.

- **Developing and introducing new services**

The SDC seeks to provide a range of services in accordance with international standards and best practices through application of the mechanism of lending and borrowing and short selling, and the completion of the project of the depository receipts for securities.

- **Expanding subscribers base in the electronic lien system**

Later to providing Income & Sales Tax Department and Social Security Corporation with the electronic lien system, the SDC is seeking to provide this system to other parties impose lien such as the Jordanian Ministry of Justice and the Water Authority.

- **Cash dividend Service**

In order to improve the level of services provided to investors in Jordanian securities, the SDC will distribute the cash dividends prescribed by public shareholding companies to shareholders in accordance with international best practices, where this service will enable investors to view all data related to the profits owed to them by public shareholding companies and provide full protection to them and help in reducing the delay process, which will contribute to increasing liquidity and stimulating the financial market.

The investor can also use e-portfolio service regarding to know about these distributions.

- **Direct link between the electronic SDC systems and the internal SDC members systems through Web Services technology**

The SDC will develop a mechanism in which the data of its members including the financial brokers will be updated from the SCORPIO® system to the brokers systems (Back Office) using the Web Service technology, which ensures the integrity of data transmission without the direct intervention of the broker in this process.

Introduction	Major Events	SDC's Performance	Future Plan	Financial Statements
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## 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 31,2019 , 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 31,2019 , 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

- Without modification to our opinion, we refer to note (1) of the financial statement, which indicates the Prime Minister announced his intention to cancel the Securities Depository Center while maintaining continuity of its functions without compromising the right of dealers by transferring the functions of the center to the Securities Commission and Amman Stock Exchange, and up to date the decision has not been implemented.
- We refer to note (7) of the financial statements relating to the payments to purchase a land of Irbid Development Area for an amount of 323,250 JD, a contract for sale and development of the location was signed on December 30,2009 with Northern Development Company. However, the counterparty; Northern Development Company, has not transfer the ownership of the land to the name of the Securities Depository Center until the preparation date of the financial statements, according to the resolution of the Center's board of directors no. (1/2019) in its meeting held on January 20,2019 , it was decided to terminate the signed contract for land sale and development with Northern Development Company and to recover the Center's resulted financial rights of the amount paid as a price for the land.
- We refer to note (8) of the financial statements, among property and equipment, a land and a building with cost of 1,786,777 JD represent the share of the Security Depository Center which is 25 % of a joint building ownership which combines Jordan Securities Commission, Amman Stock Exchange and Security Depository Center, knowing that the land and the building are registered under the name of the Jordan Securities 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 Company 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**  
**Mohammad Al-Azraq**  
**(License No. 1000)**  
**Amman on February 18,2020**

## Securities Depository Center

Legal entity with financial and administrative independence  
Amman-The Hashemite Kingdom of Jordan

### Statement of financial position as at December 31, 2019

	Notes	2019 JD	2018 JD
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	6,865,052	6,332,734
Jordan National Financial Center receivable		-	3,110
Accounts receivable and other debit balances	4	153,013	72,573
<b>Total Current Assets</b>		<b>7,018,065</b>	<b>6,408,417</b>
<b>Non-current Assets</b>			
Center's employees housing fund	5	2,658,177	2,658,177
Intangible assets	6	94	1,600
Payments on project under construction		202	202
Payments on Irbid land purchase	7	323,250	323,250
Property and equipment	8	472,466	708,960
<b>Total Non-current Assets</b>		<b>3,454,189</b>	<b>3,692,189</b>
<b>TOTAL ASSETS</b>		<b>10,472,254</b>	<b>10,100,606</b>
<b>LIABILITIES AND RESERVES</b>			
<b>Current Liabilities</b>			
Other credit balances	9	1,249,171	1,145,745
Securities Commission payable		12,136	-
Deferred revenues - current		81	81
<b>Total Liabilities</b>		<b>1,261,388</b>	<b>1,145,826</b>
<b>Reserves</b>			
General reserves		508,059	272,493
Reserve for property and equipment (Capital)		5,721,380	5,700,860
Reserve for payments on Irbid land purchases		323,250	323,250
Reserve for the center employees housing fund		2,658,177	2,658,177
<b>Total Reserves</b>		<b>9,210,866</b>	<b>8,954,780</b>
<b>TOTAL LIABILITIES AND RESERVES</b>		<b>10,472,254</b>	<b>10,100,606</b>

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, 2019

	Notes	2019	2018
		JD	JD
<b>Revenues</b>			
Securities ownership transfer commission	10	1,540,726	2,279,178
Membership and registration fees of bonds and corporate bonds	11	1,670,130	1,695,104
Charges, fees and fines	12	35,047	28,728
Other revenues, net	13	38,510	166,983
<b>Total revenues</b>		<b>3,284,413</b>	<b>4,169,993</b>
Administrative expenses	14	(2,324,835)	(2,341,285)
Future liabilities and bids expenses		(354,507)	(172,404)
<b>Surplus</b>		<b>605,071</b>	<b>1,656,304</b>

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, 2019

	General reserve	Reserve against property and equipment (Capital)	Reserve against payments on Irbid land purchases	Reserve against the center employees housing fund	Total
	JD	JD	JD	JD	JD
Balance as at January 1 ,2018	401,338	5,729,683	323,250	2,908,177	9,362,448
Transferred from the center employees housing fund to general reserve	250,000	-	-	(250,000)	-
Transferred from future liabilities and tenders reserves to property and equipment (Capital)	-	237,366	-	-	237,366
Transferred from property and equipment to general reserve (Capital)	266,189	(266,189)	-	-	-
Transferred to Ministry of Finance	(2,301,338)	-	-	-	(2,301,338)
Surplus	1,656,304	-	-	-	1,656,304
<b>Balance as at December 31 ,2018</b>	<b>272,493</b>	<b>5,700,860</b>	<b>323,250</b>	<b>2,658,177</b>	<b>8,954,780</b>
Transferred from future liabilities and tenders reserve	178,507	30,800	-	-	209,307
Transferred from accrued subscriptions	14,200	-	-	-	14,200
Transferred from property and equipment to general reserve (Capital)	10,280	(10,280)	-	-	-
Transferred to Ministry of Finance	(572,492)	-	-	-	(572,492)
Surplus	605,071	-	-	-	605,071
<b>Balance as at December 31 ,2019</b>	<b>508,059</b>	<b>5,721,380</b>	<b>323,250</b>	<b>2,658,177</b>	<b>9,210,866</b>

The accompanying notes form part of these financial statements.

## Securities Depository Center

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### Statement of cash flow for the year ended December 31, 2019

	2019	2018
	JD	JD
<b>Cash Flows From Operating Activities</b>		
Surplus	605,071	1,656,304
<b>Adjustments for:</b>		
Depreciation	272,696	363,152
Amortization	1,506	59,086
(Gains) losses on sale of property and equipment	(1,189)	5,034
Expected credit losses for brokers and members receivables	177,520	128,589
Recovery of provisions	(10,189)	(133,406)
Written-off receivables	-	(4,788)
Future liabilities and tender expenses	354,507	172,404
<b>Changes in operating assets and liabilities:</b>		
Jordan National Financial Center	3,110	-
Accounts receivable and other debit balances	(247,771)	(84,260)
Other credit balances	(27,574)	13,677
Securities Commission payable	12,136	-
<b>Net cash from operating activities</b>	<b>1,139,823</b>	<b>2,175,792</b>
<b>Cash Flows From Investing Activities</b>		
Center's employees housing fund	-	250,000
Payments on project under construction	-	(202)
Purchase of property and equipment	(36,293)	(245,498)
Proceed from sale of property and equipment	1,280	-
<b>Net cash from investing activities</b>	<b>(35,013)</b>	<b>4,300</b>
<b>Cash Flows From Financing Activities</b>		
Deferred revenues	-	(17)
Transferred to Ministry of Finance	(572,492)	(2,301,338)
<b>Net cash from financing activities</b>	<b>(572,492)</b>	<b>(2,301,355)</b>
<b>Net change in cash and cash equivalents</b>	<b>532,318</b>	<b>(121,263)</b>
Cash and cash equivalents - beginning of year	6,332,734	6,453,997
<b>Cash and cash equivalents - end of year</b>	<b>6,865,052</b>	<b>6,332,734</b>
<b>Information about non-cash transaction</b>		
Transferred from property and equipment (Capital) to general reserve	10,280	266,189
Transferred from tender and future liabilities provision to general reserve	178,507	-
Transferred from tender and future liabilities to property and equipment (Capital)	30,800	237,366
Transferred from accrued subscriptions to general reserve	14,200	-

The accompanying notes form part of these financial statements.

## Securities Depository Center

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### Notes to the Financial Statements for the year ended December 31, 2019

#### 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 Prime Minister announced at the press conference held on 18 November 2019 as part of the second executive package of the government's economic program the cancellation of the securities deposit center and the transfer of its functions between the Securities Commission and the ASE, and subsequently the explanatory declaration was issued on 19 /11/2019 The Securities Commission in coordination with the Prime Minister and addressed to the public of investors and traders of Jordanian securities, Jordanian and foreign, which included the confirmation that this decision will not affect the rights, ownership and investments of the dealers in securities, and that it represents a «restructuring» of the center The center aims to register the securities, preserve and transfer their ownership, deposit the securities, and make a netting off and settle.
- 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 February 17 ,2020.

#### 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, inventory obsolescence, useful lives of depreciable assets, provisions, and any legal cases against the entity.

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## Securities Depository Center

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### 2-3 Application of new and modified International Financial Reporting Standards

#### New and modified standards adopted by the entity

International Financial Reporting Standard No. (16)

As of January 1, 2019, the entity adopted the International Financial Reporting Standard No. (16) Lease contracts, which replaces:

- IAS 17 Leases.
- IFRIC- 4 Determining whether an Arrangement contains a lease.
- SIC15- Operating Leases - Incentives.
- SIC27- Evaluating the Substance of Transactions Involving the legal form of a lease.

The International Financial Reporting Standard No. (16) brings significant changes in accounting requirements and treatments of the operating leases, primarily for lessees, whereby all lease contracts were capitalized as assets and recognize an liabilities against them with narrow exceptions to this recognition principle for leases where the underlying asset is of low value and for short term leases (i.e. those with a lease term of 12 months or less). The accounting treatment of the lease contracts has remains largely unchanged, as the lessor will continue to classify the lease contracts as either operating lease or finance lease, using principles similar to those in International Accounting Standard No. (17).

The entity has chosen to apply this standard with modified retrospective approach (without adjusting the comparative figures) which is allowed by the standard.

The most important impact of IFRS (16) on lease contracts in terms of:

- **Definition of lease contracts**

What distinguishes this standard is the concept of control, whereby lease and service contracts are classified on the basis of whether the customer has control over the use of an identified asset for a period of time in exchange for a consideration.

- **Lessee's accounting treatments for lease contracts (operating lease)**

What distinguishes this standard is the way the entity account for operating lease contracts as they were outside the financial statements.

Applying the standard to all lease contracts with the exception for leases where the underlying asset is of low value and for short term leases (i.e. those with a lease term of 12 months or less). The entity does the following:

- A recognition of the right-of-use assets and liabilities of the lease contracts in the statement of financial position initially at the present value of future lease payments.
- In the statement of cash flows, the payments that reduces lease liability are classified within financing activities and the amounts related to the interest expense of the lease liabilities are classified within operating or financing activities. As for short-term lease contracts or low-value leases (non-capitalized) contracts, they are classified under operating activities. The principle amount of the lease contract within financing activities and profits on lease liabilities within operating activities.

For short-term lease contracts of one year or less, and lease contracts for low-value leased assets are recognized as an expense in the income statement on a straight-line basis.

The International Financial Reporting Standard No. (16) provides for testing the impairment of the right of use assets in accordance with Accounting Standard No. (36) Impairment of Assets, and this is different from the International Accounting Standard No. (17), which required recognition of a provision for onerous lease contracts.

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- Lessee's accounting treatments for lease contracts (finance lease)**

What distinguishes this standard is the residual value guarantees provided by the lessee to the lessor, whereby the expected amount to be paid is recognized as part of the lease liability, while International Accounting Standard No. (17) recognizes the maximum for the guaranteed amount.

According to management estimates, there is no signification effect of applying IFRS (16) on the financial statements.

### Standards and Interpretations issued but not yet effective

Standard number or interpretation	Description	Effective date
Accounting Standard No. (1) Presentation of financial statements.	Definition of material Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of financial statements make on the basis of those financial statements.	January 1,2020
Accounting Standard No. (8) Accounting policies, changes in accounting estimates and errors		
International Financial Reporting Standard (17) Insurance Contracts	IFRS (17) replaces IFRS (4), which requires measuring insurance liabilities at the present value of the consideration and provides a more consistent approach to measurement and presentation of all insurance contracts.	January 1,2022
Amendments to IFRS (3) Business Combinations.	Modifications to the definition of business. In order to be considered business it must be an integrated set of activities and assets and include as a minimum inputs and an objective process that together contribute greatly to the ability to create outputs. It should have the ability to contribute to the creation of outputs rather than the ability to create outputs	January 1,2020
Amendments to the International Financial Reporting Standard No. (10) Consolidated Financial Statements and International Accounting Standard No. (28) Associates and Joint Ventures.	These amendments relate to the sale or contribution of assets between the investor, the associate and / or the joint venture.	Undetermined date

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### 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:
  1. Cash.
  2. An equity instrument of another entity.
  3. 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.
  4. 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:
  1. 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
  2. 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.

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### 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.

### 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
Building	5
Office equipment	20
Furniture	20
Vehicles	15

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- 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, plant and 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.



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## Securities Depository Center

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### 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

- The entity recognize revenue from sale of good and rendering of service when control is transferred to the customer.
- 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 custmers.

### 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.

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### 3. Cash and cash equivalents

	2019	2018
	JD	JD
Current account at Central Bank	6,862,574	6,325,578
Current accounts at bank	2,251	7,156
Cash on hand	227	-
<b>Total</b>	<b>6,865,052</b>	<b>6,332,734</b>

### 4. Accounts receivable and other debit balances

	2019	2018
	JD	JD
Brokers and members receivable	904,964	737,633
Less: allowance for expected credit losses on brokers and members receivable (*)	(904,964)	(737,633)
<b>Net brokers and members receivable</b>	<b>-</b>	<b>-</b>
Prepaid expenses	72,041	57,019
Prepayments to suppliers	65,081	1,895
Checks under collection	5,284	3,337
Accrued revenues	5,260	6,146
Work advances	2,925	1,539
Refundable deposits	2,132	2,132
Other receivables	290	505
<b>Total</b>	<b>153,013</b>	<b>72,573</b>

(\*) Movement of allowance for expected credit losses brokers and members receivable during the year was as follows:

	2019	2018
	JD	JD
Beginning of year balance	737,633	678,275
Provided during the year	177,520	128,589
Recovery of allowance for brokers and members receivables	(10,189)	(64,443)
Cancel receivable	-	(4,788)
<b>End of year balance</b>	<b>904,964</b>	<b>737,633</b>

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### 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.
- The fund movement during the year was as follows:

	2019	2018
	JD	JD
Balance - beginning of year	2,658,177	2,908,177
Collected during the year (*)	-	(250,000)
<b>Balance at end of year</b>	<b>2,658,177</b>	<b>2,658,177</b>

(\*)According to the board of directors decision No (27/2018), dated 4 July 2018 it was decided to transfer 250,000 J.D to the Center's account at the Central Bank.

### 6. Intangible assets

2019	Computer Softwares
Cost	JD
Balance - beginning of year	877,103
<b>Balance - end of year</b>	<b>877,103</b>
<b>Accumulated amortization</b>	
Balance - beginning of year	875,503
Disposals	1,506
<b>Balance - end of year</b>	<b>877,009</b>
<b>Net</b>	<b>94</b>
<b>2018</b>	
<b>Cost</b>	
Balance - beginning of year	918,248
Disposals	(41,145)
<b>Balance - end of year</b>	<b>877,103</b>
<b>Accumulated amortization</b>	
Balance - beginning of year	857,562
Amortization	59,086
Disposals	(41,145)
<b>Balance - end of year</b>	<b>875,503</b>
<b>Net</b>	<b>1,600</b>

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### 7. Payments on land purchase

This item represent the amount of payments for purchase of Irbid developmental land for an amount of (323,250) JD, the contract of sale and development site was signed on December 30 ,2009 with Northern Development Company, but the counterparty "North Development Company" did not transfer the ownership of the land to the name of Securities Depository Center till the date of preparing the financial statement. And in accordance with the decision of the Board of Directors of the Center No. (1/2019) in its meeting held on 20 January 2019, it was decided to terminate the contract of sale and development signed with the North Development Company and recover of the Center's financial rights resulting from the amount paid as the price of the land. According to the Center's Board of Directors Decision No. (36/2019) at its meeting held on July 17 ,2019, it was decided to postpone the decision for the request of the North Development Company regarding the continuation of the sale and development contract until the company submits a draft of the annex for that contract and study it and examining the terms and provisions stated in it in preparation for taking the decision duly.

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### 8. Property and equipment

	Lands (*)	Computers	Building (*)	Office equipment	Furniture	Vehicles	Total
	JD	JD	JD	JD	JD	JD	JD
<b>2019</b>							
<b>Cost</b>							
Balance - beginning of year	152,916	2,391,149	1,633,861	342,533	152,762	150,536	4,823,757
Additions	-	30,050	-	6,243	-	-	36,293
Disposals	-	-	-	(10,028)	(5,745)	-	(15,773)
<b>Balance - end of year</b>	<b>152,916</b>	<b>2,421,199</b>	<b>1,633,861</b>	<b>338,748</b>	<b>147,017</b>	<b>150,536</b>	<b>4,844,277</b>
<b>Accumulated depreciation</b>							
Balance - beginning of year	-	2,081,504	1,415,518	317,232	150,013	150,530	4,114,797
Depreciation	-	181,036	81,693	9,376	591	-	272,696
Disposals	-	-	-	(10,014)	(5,668)	-	(15,682)
<b>Balance - end of year</b>	<b>-</b>	<b>2,262,540</b>	<b>1,497,211</b>	<b>316,594</b>	<b>144,936</b>	<b>150,530</b>	<b>4,371,811</b>
<b>Net</b>	<b>152,916</b>	<b>158,659</b>	<b>136,650</b>	<b>22,154</b>	<b>2,081</b>	<b>6</b>	<b>472,466</b>
<b>2018</b>							
<b>Cost</b>							
Balance - beginning of year	152,916	2,350,549	1,633,861	362,066	161,508	150,536	4,811,436
Additions	-	235,913	-	8,416	1,169	-	245,498
Disposals	-	(193,443)	-	(30,111)	(9,623)	-	(233,177)
Transfers	-	(1,870)	-	2,162	(292)	-	-
<b>Balance - end of year</b>	<b>152,916</b>	<b>2,391,149</b>	<b>1,633,861</b>	<b>342,533</b>	<b>152,762</b>	<b>150,536</b>	<b>4,823,757</b>
<b>Accumulated depreciation</b>							
Balance - beginning of year	-	2,005,867	1,333,825	330,808	158,758	150,530	3,979,788
Depreciation	-	270,576	81,693	10,242	641	-	363,152
Disposals	-	(193,069)	-	(25,978)	(9,096)	-	(228,143)
Transfers	-	(1,870)	-	2,160	(290)	-	-
<b>Balance - end of year</b>	<b>-</b>	<b>2,081,504</b>	<b>1,415,518</b>	<b>317,232</b>	<b>150,013</b>	<b>150,530</b>	<b>4,114,797</b>
<b>Net</b>	<b>152,916</b>	<b>309,645</b>	<b>218,343</b>	<b>25,301</b>	<b>2,749</b>	<b>6</b>	<b>708,960</b>

(\*)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.

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### 9. Other credit balances

	2019	2018
	JD	JD
Tender and future liabilities provision (*)	1,119,096	973,896
Contractors retentions	32,784	45,230
Accrued Board of Directors remunerations	31,350	32,127
Accrued expenses	30,147	51,235
Unearned revenues	18,060	22,989
Accounts payable	13,300	2,811
Income and sales tax deposits	3,971	2,418
Other deposits	254	277
Employees deposits	209	562
Accrued subscriptions	-	14,200
<b>Total</b>	<b>1,249,171</b>	<b>1,145,745</b>

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

	2019	2018
	JD	JD
Beginning of year balance	973,896	1,107,821
Transferred to property and equipment (Capital)	(30,800)	(237,366)
Transferred to general reserve	(178,507)	-
Recovery of provisions	-	(68,963)
Provided during the year	354,507	172,404
<b>End of year balance</b>	<b>1,119,096</b>	<b>973,896</b>

### 10. Securities ownership transfer commission

	2019	2018
	JD	JD
Traded securities	1,308,158	1,932,876
Securities excluded from trading	232,568	346,302
<b>Total</b>	<b>1,540,726</b>	<b>2,279,178</b>

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### 11. Membership and registration fees of bonds and corporate bonds

	2019	2018
	JD	JD
Annual membership fees	1,532,672	1,563,187
Registration of bonds fees	85,667	87,292
Registration of corporate bonds fees	51,791	44,625
<b>Total</b>	<b>1,670,130</b>	<b>1,695,104</b>

### 12. Charges, fees and fines

	2019	2018
	JD	JD
Transfer and open accounts fees and brokers fines	11,458	1,835
Direct connection fees	8,700	9,100
Security owner services fees	8,339	9,720
Security issuer fees	3,312	4,764
Bank transfer fees	3,238	3,309
<b>Total</b>	<b>35,047</b>	<b>28,728</b>

### 13. Other revenues, net

	2019	2018
	JD	JD
Management fees of Settlement Guarantee Fund(*)	25,850	25,750
Recovery of provisions	10,189	133,406
Gains (losses) on sale of property and equipment	1,189	(5,034)
Other	882	5,711
Sale of tenders copies and tender delay execution fines	400	3,150
Investment unit agreement	-	4,000
<b>Total</b>	<b>38,510</b>	<b>166,983</b>

(\*) This amount is calculated in accordance with 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.

Introduction	Major Events	SDC's Performance	Future Plan	Financial Statements
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### 14. Administrative expenses

	2019	2018
	JD	JD
Salaries, wages and related benefits	1,112,136	1,078,789
Depreciation	272,696	363,152
Maintenance	189,777	132,636
Expected credit losses on brokers and members receivable	177,520	128,589
Electricity and water	163,048	189,802
Social security contribution	133,814	113,108
Communications	54,837	51,933
Rents	52,155	48,341
Board of directors remunerations and transportation	47,564	49,820
Cleaning	16,868	16,546
Security	15,292	17,949
Bank expenses	13,001	14,898
Professional fees	11,039	11,050
Miscellaneous	9,641	4,981
Subscriptions	9,384	9,121
Center's contribution to saving fund	8,141	7,616
Stationery and printings	7,615	7,275
Hospitality	6,234	5,494
Fuel	5,545	4,858
Travel and transportation	3,887	6,571
Training	3,704	1,340
Insurance	3,253	3,434
Vehicles expenses	3,205	3,832
Board of directors secretary fees	2,400	2,400
Amortization	1,506	59,086
Advertisement	523	2,138
Legal fees	50	6,526
<b>Total</b>	<b>2,324,835</b>	<b>2,341,285</b>



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### 15. Legal cases

The value of legal cases raised by other against Securities Depository Center and other parties amounting to (1,342,868) JD, and those cases are still pending in the related court, and based on the legal council professional judgment the cases have no legal or actual merit, the Center has strong defenses to respond to these cases, thus the center will not suffer any financial liabilities as a result of the raised cases.

### 16. 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.

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### 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	
	2019	2018	2019	2018
	JD	JD	JD	JD
<b>Financial assets:</b>				
Cash and cash equivalents	6,865,052	6,332,734	-	-
Jordan National Financial Center	-	3,110	-	-
Accounts receivables and other debit balances	15,891	13,659	-	-
Center's employee housing fund	-	-	2,658,177	2,658,177
<b>Total</b>	<b>6,880,943</b>	<b>6,349,503</b>	<b>2,658,177</b>	<b>2,658,177</b>
<b>Financial liabilities:</b>				
Other credit balances	112,015	148,860	-	-
Securities Commission payable	12,136	-	-	-
<b>Total</b>	<b>124,151</b>	<b>148,860</b>	<b>-</b>	<b>-</b>

