

**ANNUAL  
REPORT**

**20  
02**



شركة مصر للمقاصة والتسوية والحفظ المركزي  
MISR FOR CLEARING, SETTLEMENT AND CENTRAL DEPOSITORY



**Head Office**

70 El-Gamhoria Street  
Tel : (202) 5971581  
Fax : (202) 5971523  
P.O.Box 1536 Attaba  
Cairo Egypt

**Alex. Branch**

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BOARD OF  
DIRECTORS

2	0
0	2



شركة مصر للمقاصة والتسوية والحفظ المركزي  
MISR FOR CLEARING, SETTLEMENT AND CENTRAL DEPOSITORY

**Ali Mohamed Negm**  
Chairman and  
Managing Director



**Mohamed Abdel Salam**  
Deputy Chairman and  
Managing Director



**Sameh  
El Torgoman**  
Board Member



**Sherif Wahid  
Raafat**  
Board Member



**Nasef Nazmi  
Gerguis**  
Board Member



**Amr Abdel Azim  
Hosni**  
Board Member



**Nadia Fayek  
El Mankabadi**  
Board Member



**Mohamed Adel  
El Sanhoury**  
Board Member





## CHAIRMAN'S STATEMENT

This Annual Report for 2002 outlines the performance and achievements, in detail, of the MISR for Clearing, Settlement and Depository, or MCSD. It is an honor to present this report as model of accomplishment. Since the Board and staff have exerted tremendous efforts in 2002, this report also reflects their actions. This is the motivation and incentive to pursue similar trends in the years ahead.

The MCSD team confronted formidable challenges in 2002. Yet, we met each obstacle with sound and viable planning – rapid response – to surmount those challenges, therefore confirming our capabilities to meet evolving situations with solid solutions. Throughout the past years, we have applied consistent efforts to generate additional work for the Company's various functions. Again, MCSD was true to this commitment.

As a matter of fact, Executive Regulations effective as of late 2001 and early 2002 required that we do more to accommodate the Company's success. Thus, we acted to establish new mechanisms and services to meet the Executive Regulations, while amending outstanding services prior to the enactment, such as adopting a custodian system instead of bookkeeping system. This course of action allowed the Company to receive securities assets owned by customers of records management companies. And until the custodian system was operational, the Company also managed these assets temporarily.

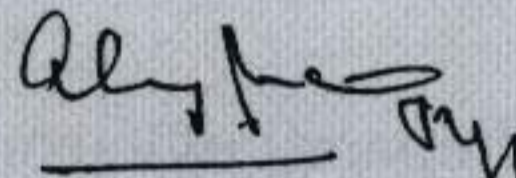
Through the assistance of leading firms in the field, specifically Mellon Financial Corporation of America (Mellon), we helped to meet the

international standards for central registry. A number of electronic systems were introduced to implement the central registry system. Positive results were not confined to issuers only, but investors also reaped the benefits. Investors now can access data related to their own securities through various, protected avenues, including Internet and telephone. These advancements through technology only encourage investment in Egyptian capital markets.

It is in the Company's interest to cultivate human resources, as is our tradition. Therefore, our practice of upgrading the level of our professionals throughout 2002 should come as no surprise. Harnessing both in-house training and outside courses, the administrative and technical domains of our professionals grew continuously.

In conclusion, the Board would like to thank all the Company's employees for their sincere efforts in 2002. The staff has positively and favorably affected the work of the Company. We pray for Allah Almighty to guide us toward sustainable progress, development and success.

God bless you all and thank you,



**Ali Mohammed Negm**  
Chairman & Managing Director





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## HIGHLIGHTING ACTIVITIES

### January 2002

Developed exclusive programs for our custodian system to upgrade efficiency, increase the system's speed and allow for additional transfer of data and statistics to custodians.

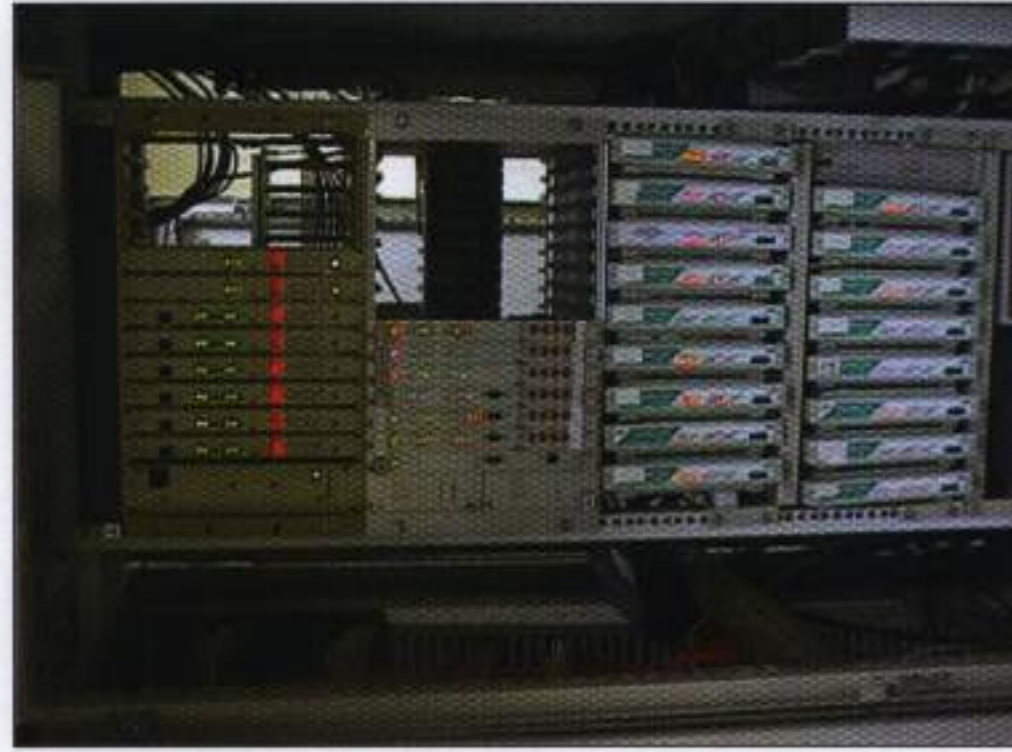
Designed an electronic reserve system that establishes an electronic linkage (e-linkage) between the MCSD database and 128 securities firms. System characteristics include:

- Enables trading firms to ensure that customer balance is adequate to complete a purchase transaction.
- Allows registration and printing of sale/purchase orders and customer information.
- Employs inquiries on status of suspended, cancelled and implemented orders.

Trained a large number of employees to assume temporary Bookkeeping responsibilities before terminating our relationship with records Bookkeepers.

Prepared electronic systems, including follow-up and regulatory systems required to accept securities balances from Bookkeepers companies. Also commenced necessary document cycle to handle such a large number of customers and trading firms.





To better facilitate and educate the trading companies without e-linkage to the Company's information network, we established a temporary computer center at the Company's headquarters at 1 Sikkit Al-Fadl St.

### **March 2002**

Sought the assistance of Internet Security Systems (ISS) to update our systems and improve the security of the Company's information network.

### **April 2002**

Enhanced the Company's Internet sites specifically to allow trading companies access to Settlements Guarantee Fund data, including:

- detailed, daily account statements, claims and warnings
- English language text of securities information for foreign investors

### **July 2002**

Amended settlement date to the day following a securities transaction, from T+3 to T+2 (14 securities at the present time).

### **September 2002**

Employed international digital system for issuers securities. (The International Securities Identification Number,



or ISIN code, was created to standardize the codes of securities, assigning a unique international code which identifies each asset.)

Undertook a comprehensive study to reassess the schedule of investor services extended by the Company and setting new fares thereof.

#### **November 2002**

Finalizing central registry system for securities in collaboration with Mellon.

#### **December 2002**

Provided services to securities investors with all information and data related to securities balances, profits coupons and transactions thereon and trading thereof, as well as:

- IVR: A continual, automatic reply to investors' inquiries or FAQs.
- Call Center: A specialized staff answers investors' FAQs by telephone during office hours.
- Customer Service Centers: Company branches welcome investors and address their needs.
- Correspondence Service serves associated investors via e-mail, postal mail and fax.
- SMS: Investors may subscribe to this message service through the Company's electronic system.



## ADJUSTMENTS MADE BY THE PROVISIONS OF THE CENTRAL DEPOSITORY AND REGISTRY LAW AND ITS EXECUTIVE REGULATIONS

In addition to our achievements in 2001, the Company has paid due attention to all procedures, prepared to modify conditions in accordance with the provisions of the Central Depository and Registry Law and its Executive Regulations. It is noteworthy to point out that the Law amended general work regulations so as to cover all new systems included in said Law. In accordance with this, the Law modified the Clearing and Settlement System, changing the date of ownership from the trading date to the settlement date. The Company has reviewed all services extended to develop the same in a way that complies with the Law. In accordance with the Company's policy to ease the financial burdens of members and investors, we have reviewed, categorized and priced services in order to attain fairness for those whose conditions are similar, by the Company's assessment, in assuming investment costs with securities and by linking service fees with actual benefits.

### **Capital Allocation**

The Central Depository and Registry Law and its Executive Regulations stipulated that the capital should be increased and reallocated among members so that shares would be owned by all members. Such rules specify each member's share in the capital as in accordance with the volume of his/her transactions, with Company fees and commissions paid. Furthermore, international practices stipulate that members should own their company's shares, since this ensures just and equitable representation in securities companies, management, and participation in planning the company's policies and future plans.

The Company's statute was modified to meet the requirements and conditions as stipulated by The Central Depository and Registry Law. Such modifications are subject to presentation and approval by the irregular general assembly. During the first quarter of 2002, the Company obtained a license from the CMA so as to practice activities provided for in the Law and its Executive Regulations.

## DEVELOPMENT OF CENTRAL REGISTRY SYSTEM

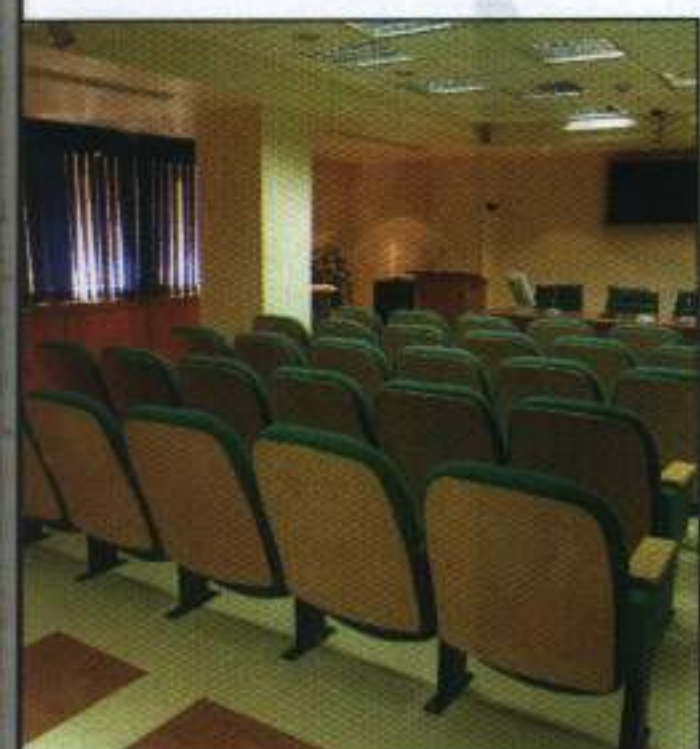


The Company's major objective in 2002 was to complete its legal framework. Two distinct elements were implemented to achieve this goal: the raising and reallocation of capital to involve all members, and the development of the central registry system, which enables the Company to extend well-integrated services to investors at local and regional levels.

It is important to note the Company's former records management practices that were replaced with the enactment of Law 93 and its Executive Regulations in 2000, which required the Company to review its central registry activity and former practices, as well as those provided by the Law and its Executive Regulations. Since our establishment, the Company's records management has consisted of maintaining all-inclusive regular records for issuers as well as register ownership transfer. These records were also marked with certain actions, such as mortgage, written directly onto the securities, cash payable profits, etc.

Operating under the central registry activity umbrella, the Company found the former practices beneficial when, for example, an entity required a list of shareholders for a specific date. Then, such a list was easily producible.

To meet higher standards, however, the Company started to develop the central registry system in collaboration with Mellon, a major institution in the field of central registry and extending their financial services to a large network of international financial institutions. The



Company first sought Mellon's assistance in 2001 through a technical assistance agreement. That agreement provided for assistance with the development of a securities central registry in Egypt. Completed in 2002, the agreement was executed in three phases, including:

#### **Phase I, July 2002:**

Evaluation of: current central registry services already in the Egyptian market, including better utilization of those already extended by the Company; and services provided for by the Law and its Executive Regulations under the central registry activity umbrella.

Working as a team to better understand the current rules and regulations which, in turn, allowed the Company to gain a working knowledge of how central registry services are utilized in the American capital market. (U.S. services reach more than 2000 issuers involving more than 22 million shareholders inside the U.S. and abroad.)

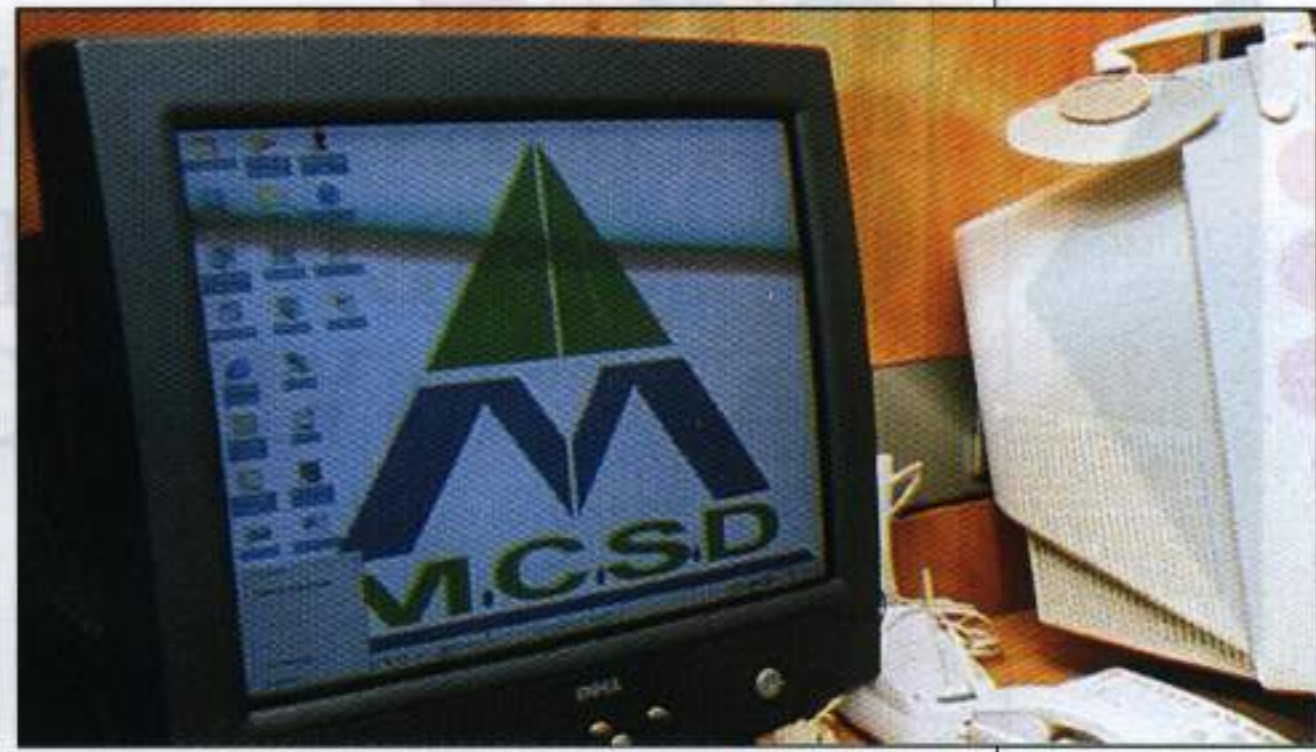
Introduction of electronic and documentary work systems, as used in the U.S.

#### **Phase II, August 2002:**

Employees were trained to absorb, understand and implement policies and procedures related to risk management with regard to central registry activity, internal auditing and regulatory procedures and systems.

#### **Phase III, Oct. - December 2002:**

Established thorough procedure guides and by-laws manuals for the



Company's members and participants with Mellon's assistance. Requested an expert from Mellon to visit the Company's headquarters twice to train staff in properly preparing these guides and manuals for by-laws and external regulations in the field of central registry.

Implemented new work systems and mechanisms that would better serve the development of a central registry system capable of fully maximizing the benefits to investors and participants. New services to both issuers and investors included:

#### **A. Database**

Work is underway to establish a database, with the use of a scanner, comprising photocopies of the identifications of securities investors, signature samples, and other relevant data. This database will provide supplemental verification for a larger database holding the codes of operators in the Stock Exchange. With these database procedures, the Company expects to accurately verify the identity of customers, further securing the securities balances of all investors.

#### **B. E-linkage with Securities Issuers**

This system enables issuers to access their shareholders' records at any time. Issuers may access specific securities, and all materials related thereof, on the MCSD web site by using an individual clearance code. Allows firms to monitor the purchase/sale movements on securities and obtain statistics they deem necessary for various purposes.



## INTRODUCTION OF NEW SERVICES FOR SECURITIES INVESTORS

The Company now offers a number of new services tailored to safeguard the investor. These services also expedite information or data retrieval processes so that the client has greater access to his/her securities. In addition, MCSD has realized an opportunity to raise the performance level of the Egyptian market by securing adequate information related to an investor's transactions in the capital market, such as trading or rights involving ownership, profits, stock dividends, etc.

Investors may obtain such information through IVR, Internet, E-mail, postal mail, fax, and mobile and landline telephones.

The Company has introduced these information-related services to investors to further boost confidence and create transparency. For example, the investor may access all information with regard to trading in his/her name, whether such transactions have been completed or not. Further, investors can observe securities balances and the status of each, including available securities, mortgaged and those retained for sale, as well as information on matured coupons of different securities. These systems also provide for responses to all customer inquiries. Investors can research data in the central depository system on issuers, or read about procedures related to inheritance allocations and acquire the documents necessary to consolidation processes. Customers may also observe whether profit coupons have been distributed, and for which securities, due to a violation of rules in effect at MCSD.

The most modern and sophisticated safeguards protect the systems discussed here. Each investor sets their own password, by which all queries are performed, and may change the password when necessary in a secure environment.





The Company's primary objectives in delivering such services were to create an extremely user-friendly interface and offer investors the greater portion of disclosure and complete transparency, all in a safe, secure manner with the least possible cost to us.

These services and achievements have positively impacted the future of the Egyptian capital market by creating comfort and confidence where there was none, thereby encouraging foreign investment and stabilizing the future of our national economy. Moreover, the Company has increased its own stake by attracting a large number of shareholders to benefit from such privileges.

**It should be noted that we must not forget the vital and essential role of the SGF and its positive impact on the capital market, its start on 13/1/2000 and up to date we find that the number of delayed securities or cash settlements has been reduced compared to the time before its work, and its our pleasure to present you some of these positive impacts that we are referring to:**

Total number of delayed securities settlement transactions has been reduced by 39%.

Total number of delayed cash settlement transactions has been reduced by 31% Total number of delayed settled transactions has been reduced by 33%.

Total value of delayed securities settlement transactions has been reduced by 5%.

Total number of default participants has been reduced by 34%.

Total Number of the SGF interference has been reduced by 36%.

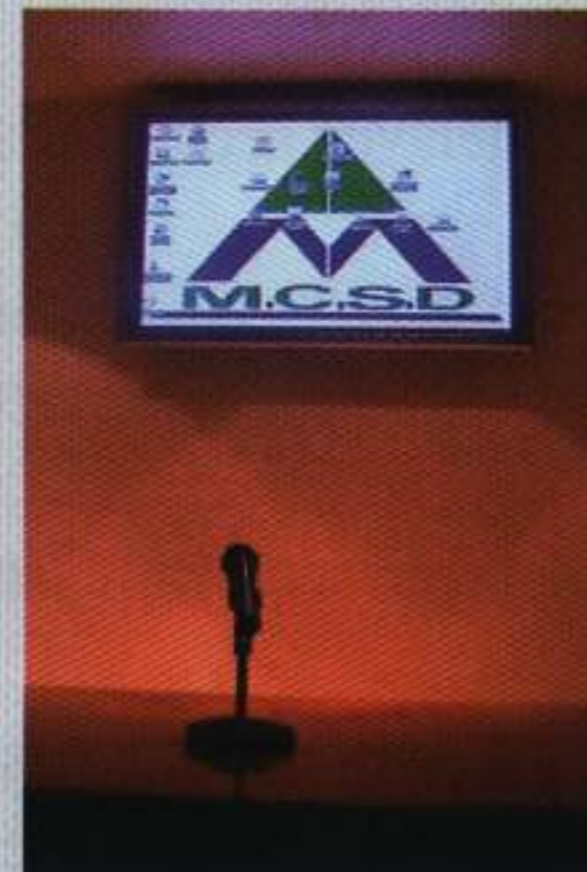




Total value of transactions that have been covered by the SGF has been reduced by 88%.

Annual delay penalty applied on participants has been reduced from 15% since the start of the settlement guarantee fund to 14% on the 14<sup>th</sup> of May 2001, then to 13 % on the 9<sup>th</sup> of November 2002. This reduction is due to the central bank lending and inter -bank interest overall reduction and according to the SGF general rules issued by the Capital Market Authority (CMA) board on the 18<sup>th</sup> of August 1999.

The settlement Guarantee fund participants' statement	Brokerage firms	Settlement participants	Total Participants
Actual Participants	131	14	145





## FLEXIBILITY AND CAPABILITY OF VARIABLE MANAGEMENT SYSTEM

Since its founding, the Company has established a character of integrating specializations capable of designing both documentary and electronic working systems. Our tried-and-true methods provide for adequate flexibility in digesting innovations or variables required for capital market development. This synergy also allows the Company to meet international legislative requirements by implementing new mechanisms in current systems. For example, the Company has modified electronic systems to settle more active securities in T+2, instead of T+3. The number of these securities now stands at 14.

By reducing the settlement time, we can increase the speed of securities rotation and decrease risks of price fluctuation. There remains room for improvement, as certain national markets expect that securities settlement cycles be completed at T+1, or the day following operation implementation.

### **Securities Margin Trading**

The Executive Regulations of the Capital Market Law have been modified to allow for securities margin trading. Specifically, a customer would pay at least 50% of a purchased securities value and a brokerage firm would meet that balance according to a margin purchase agreement between the two parties. The Company has prepared the electronic systems necessary to protect the rights of the two parties entering such an agreement through the settlement and assets management of securities purchased by said system.



# TRAINING TO INCREASE EFFICIENCY OF HUMAN RESOURCES



The Company firmly holds that its employees are the backbone to its success. Investing in their training pays both immediate and future dividends. Therefore, the task of upgrading the technical, professional and administrative standards of the Company's employees to meet the emergence of our tremendous responsibilities is vital to the Company's livelihood.

In collaboration with the Fulbright Center, an institution specializing in teaching English-language skills, the Company has organized a number of courses to cultivate the language proficiency of its employees, especially those in customer-service areas.

In addition, the Company has also cooperated with CMD to organize advanced, specialized courses in skills related to administration, communication, integration, international accounting standards, methods of risk management assessment, and return and comparisons. Additional courses were offered in bonds evaluation, essentials in real estate mortgage, and specific programs in HR management. As the Company encourages staff members to obtain higher education, a number of staff have secured degrees (MAs and PhDs included) in such fields as capital markets, finance, investment, crisis and disaster management, international arbitration, business administration, and IT and computer systems.





## AUDITORS' REPORT TO THE SHAREHOLDERS OF MISR FOR CLEARING, SETTLEMENT AND CENTRAL DEPOSITORY S.A.E.

We have audited the accompanying balance sheet of Misr for Clearing, Settlement and Central Depository S.A.E. as of 31 December 2002, and the related statements of income, changes in equity and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards, as well as, Egyptian Standards on Auditing and the requirements of relevant local laws and regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. We believe that our audit provides a reasonable basis for our opinion on the financial statements.

In our opinion, the financial statements referred to above, and the related notes present fairly, in all material respects, the financial position of the company as of 31 December 2002, and the results of its operations and its cash flows for the year then ended in conformity with Egyptian Accounting Standards and the relevant local laws and regulations.

The company maintains proper books of accounts which comply with the requirements of the law and the company's Articles of Association, and the financial statements are in agreement therewith.

The financial information included in the Board of Director's report, which has been prepared in accordance with the requirements of Law 159 of 1981 and its Executive Regulations, is in agreement with the company's books, where applicable.

**Taha M. Khaled**  
Chartered Accountant  
R.A.A. 5136  
Cairo, 9 April 2003



# BALANCE SHEET

## 31 December 2002

	Note	2002 L.E.	2001 L.E.
ASSETS EMPLOYED		20,053,027	14,072,602
PROPERTY, FURNITURE & EQUIPMENT	4	-	4,318,211
PROJECTS UNDER PROGRESS	5		
<b>CURRENT ASSETS</b>			
Accounts receivable and prepayments	6	8,864,293	6,281,114
Bank balances and Cash	9	9,865,417	14,862,145
Dividends' coupons - at bank	9	153,560,293	108,111,518
		<u>172,290,003</u>	<u>129,254,777</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable and accruals	10	11,412,264	12,845,989
Dividends' coupons payable	11	153,560,293	108,111,518
Dividends payable		1,617,946	2,577,658
Provision for claims	12	4,927,858	2,274,586
		<u>171,518,361</u>	<u>125,809,751</u>
NET CURRENT ASSETS		<u>771,642</u>	<u>3,445,026</u>
		<u>20,824,669</u>	<u>21,835,839</u>
FUNDS EMPLOYED			
SHAREHOLDERS' EQUITY			
Share capital	13	18,750,000	18,750,000
Legal reserve	14	1,022,406	939,853
Retained earnings		7,973	57,405
		<u>19,780,379</u>	<u>19,747,258</u>
LONG-TERM LIABILITIES			
Fixed assets creditors	15	1,044,290	2,088,581
		<u>20,824,669</u>	<u>21,835,839</u>
CONTRA ACCOUNTS	24	91,646,373,321	64,336,423,727



# STATEMENT OF INCOME

## For the year ended 31 December 2002

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	Note	2002 L.E.	2001 L.E.
<b>REVENUE</b>			
Services revenue	16	23,600,046	19,571,216
Cost of services	17	(22,976,748)	(16,664,127)
Gross profit		623,298	2,907,089
Other income	18	12,817,166	7,492,631
		<u>13,440,464</u>	<u>10,399,720</u>
<b>EXPENSES</b>			
General and administration	19	(7,911,324)	(6,896,045)
Provisions	21	(3,878,073)	(1,436,227)
		<u>(11,789,397)</u>	<u>(8,332,272)</u>
<b>NET PROFIT FOR THE YEAR</b>		<u>1,651,067</u>	<u>2,067,448</u>



# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2002

	Share Capital L.E.	Dividends towards capital increase L.E.	Legal Re- serve L.E.	Retained Earnings L.E.	Total L.E.
Balance at 31/12/2000	15,000,000	3,750,000	836,481	670,987	20,257,468
Net profit for the year	-	-	-	2,067,448	2,067,448
Increase in share capital (Bonus shares)	3,750,000	(3,750,000)	-	-	-
Transfer to legal reserve	-	-	103,372	(103,372)	-
Cash dividends	-	-	-	(2,577,658)	(2,577,658)
Balance at 31/12/2001	18,750,000	-	939,853	57,405	19,747,258
Net profit for the year	-	-	-	1,651,067	1,651,067
Transfer to legal reserve	-	-	82,553	(82,553)	-
Cash dividends	-	-	-	(1,617,946)	(1,617,946)
Balance at 31/12/2002	18,750,000	-	1,022,406	7,973	19,780,379

# STATEMENT OF CASH FLOWS

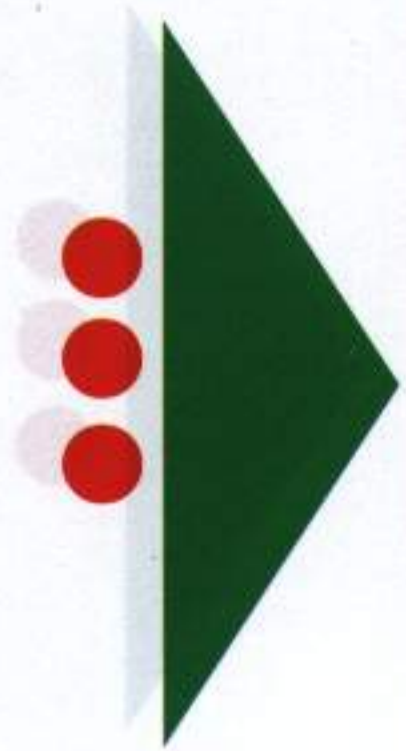
For the year ended 31 December 2002

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	Note	2002 L.E.	2001 L.E.
<b>OPERATING ACTIVITIES</b>			
Net profit for the year		1,651,067	2,067,448
<b>Adjustments for:</b>			
Depreciation of fixed assets		4,563,969	3,218,149
Transfer to expenses from project under construction		-	223,357
Provisions used		(408)	(2,430)
Provisions		3,878,073	1,436,227
Loss/(Gain) from selling of fixed assets		181,730	(179,500)
Operating profit before working capital changes		10,274,431	6,763,251
(Decrease)/Increase in other creditors		(1,433,725)	2,700,028
Increase in dividends coupons payables		45,448,775	6,375,764
(Increase) in other receivables		(3,807,572)	(4,363,314)
Tax paid		-	(436,912)
Net cash from operating activities		<u>50,481,909</u>	<u>11,038,817</u>
<b>INVESTING ACTIVITIES</b>			
Projects under progress		(2,976,514)	(258,870)
Transfer of fixed assets to expenses		-	15,600
Proceeds of fixed assets		4,513,870	3,931,341
Purchases of fixed assets		(7,953,364)	(9,323,085)
Disposal of fixed assets		8,095	-
Fixed assets creditors		(1,044,291)	2,088,581
Net cash used in investing activities		<u>(7,452,204)</u>	<u>(3,546,433)</u>
<b>FINANCING ACTIVITIES</b>			
Dividends paid		(2,577,658)	(2,012,625)
Net cash used in financing activities		<u>(2,577,658)</u>	<u>(2,012,625)</u>
<b>INCREASE IN CASH</b>			
Cash at beginning of the year		122,973,663	117,493,904
Cash at end of the year	9	<u>163,425,710</u>	<u>122,973,663</u>





# SIGNIFICANT ACCOUNTING POLICIES

For the year ended 31 December 2002

The financial statements are prepared in accordance with Egyptian Accounting Standards, which are substantially in agreement with International Accounting Standards. The significant accounting policies adopted are as follows:

**a) The accounting convention**

The financial statements are prepared under the historical cost convention.

**b) Property, furniture and equipment**

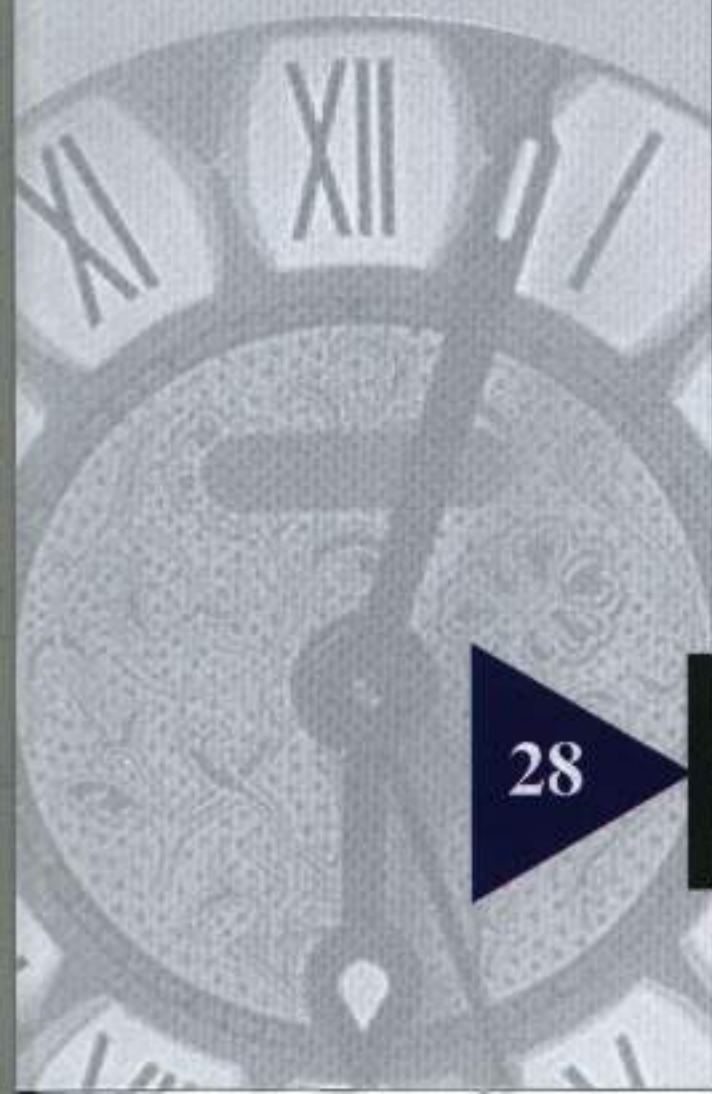
Property, furniture and equipment are recorded at cost.

**c) Depreciation**

Depreciation is provided on all property, furniture and equipment by equal annual installments over their expected useful lives, using the same depreciation rates used during previous years.

The estimated useful lives of assets for the calculations of depreciation are as follows:

Properties	10 years
Furniture & office equipment	5 years
Computers	3 years
Motor vehicles	5 years
Equipment of American Aid	3 years
Innovations	5 years





#### d) **Taxation**

Taxation is provided for in accordance with Arab Republic of Egypt Fiscal Regulations.

#### e) **Revenue recognition**

- Clearing and settlement services fees are accrued on all securities selling and buying transactions executed during the year in the Stock Exchange.
- Subscription fees are accrued on brokerage companies and custody trustees on annual basis.
- Reward on bookkeeping & issuing accounts are accrued at the end of the year. These revenues are calculated as a percentage of total market value of the share admitted to the Central Depository System at 31 December.

#### f) **Contra accounts-Central Depository**

The company maintains central depository register where all shares maintained at the central depository system are recorded. The value of these shares are treated as contra accounts in the balance sheet.

#### g) **Foreign currencies**

Foreign currencies transactions are recorded in Egyptian pounds at the rates of exchange prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Egyptian pound at the year end rate of exchange. All exchange differences are taken to the statement of income.



**h) Provision for Clearing and Central Depository risk**

Provision is made at the balance sheet date for clearing and central depository risks at a rate of 2% as a percentage of total revenue to cover relevant financial positions.

**i) Provision for dividend's coupons distribution risks**

Provision is made at the balance sheet date for dividend's coupons distribution risks at a rate of 0.35% as a percentage of dividends' coupons payable balance to cover relevant financial positions.

**j) Provision for decline in value of securities**

Provision is made for decline in value of securities held in the name of the company pending exchange and settlement processes at the balance sheet date for the excess of cost over their market value.

**k) Debtors**

Provision is made when the collection of accounts receivable is doubtful. The provision expense is charged to the statement of income.

**l) Donated assets**

Donated assets received from the U.S. American Aid Authority (USAID) are capitalized at their fair value at the date of donation and are credited to unearned income (under other credit balance). The donated asset are depreciated over the expected useful life. The real earned income is ac-



credited to period income using the same amount of depreciation (Notes 4, 10, 18).

### **3 FINANCIAL INSTRUMENTS AND MANAGING RELATED RISKS**

The financial instruments are represented in financial assets and liabilities which include receivables, time deposits, cash & payables.

#### **a) Credit risk**

Accounts receivable balance are considered financial assets exposed to credit risk. Credit risk represents the inability of customers to meet their obligations on their due date.

#### **b) Clearance & settlement risks**

Clearance & settlement risks are represented in the technical mistakes which may be made by the company during the completion of clearance & settlement transaction resulting in a loss to third parties.

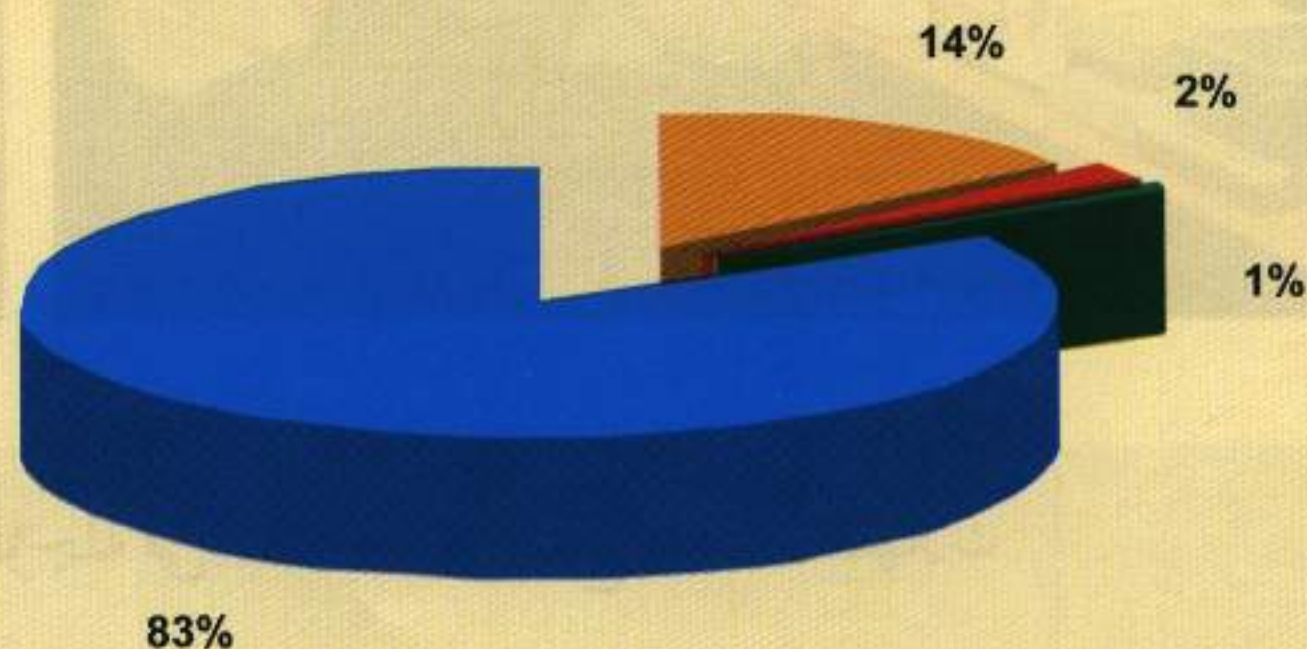
A provision of 2% of total service revenue is made to cover the clearance & settlement risk.

#### **c) Coupons dividends risks**

Coupons dividends risks are represented in the mistakes which may be made by the company during distribution of coupons due on shares of issuers companies registered with the Central Depository system.

A previous of 0.35% of total coupon dividends payable balance is made to cover the coupons dividends risk.

## Members & Participants Of MCSD



the total number of members and participants in MCSD is 1044 at the end of 2002, an increase of 8.6% compared to 2001

إجمالي عدد الأعضاء والمشاركين بنظام الإيداع المركزي عدد 1044 عضو ومشارك بنهاية عام 2002 بزيادة قدرها 8.6% عن العام السابق.

## نسبة الأوراق المالية المقيدة بنظام الإيداع المركزي إلى إجمالي الأوراق المالية المقيدة بالبورصة

The percentage of securities registered in the central depository system compared to those registered in the stock exchange

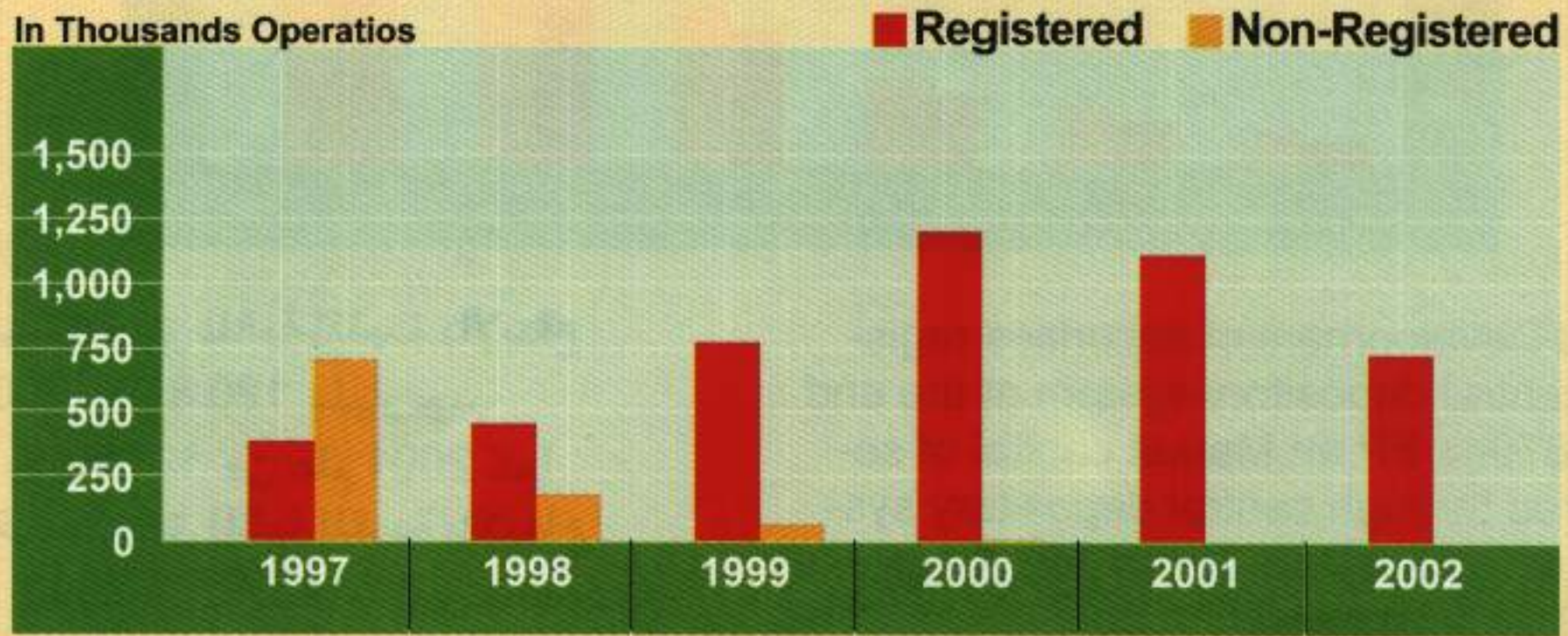


The Number of securities registered at the central depository system at the end of 2002 is 870 at 76% of the total securities (1151 total) listed in the Stock Exchange in 2002

عدد الأوراق المالية المقيدة بنظام الإيداع المركزي بنهاية عام 2002 ، 870 ورقة مالية بنسبة تبلغ 76% من إجمالي الأوراق المالية المقيدة بالبورصة والبالغ عددها 1151 ورقة مالية.

عدد العمليات التي تمت تسويتها على الأوراق المالية المقيد بنظام  
الحفظ المركزي والمادية من خلال شركة مصر للمقاصة عام ٢٠٠٢

## Number of operations settled regarding securities recorded through central depository system and physical securities through MCSD in 2002

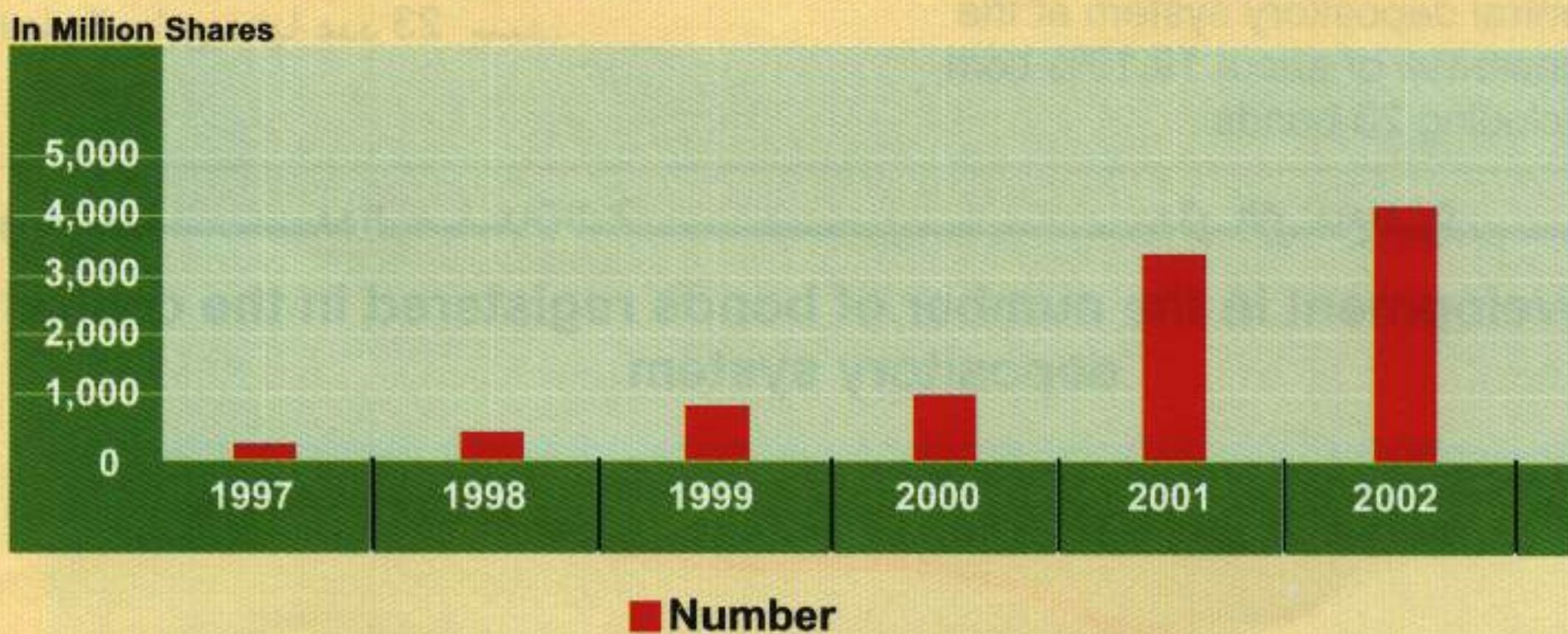


The number of operations settled regarding securities recorded through central depository system is 746,565 compared to 2,995 settled on physical securities

عدد العمليات التي تمت تسويتها علي أوراق مالية مقيدة بنظام الحفظ المركزي 746565 عملية، في مقابل 2995 عملية تمت تسويتها علي أوراق مالية مادية.

تطور كمية الأسهم التي تمت تسويتها على الأوراق المالية المودعة مركزيا

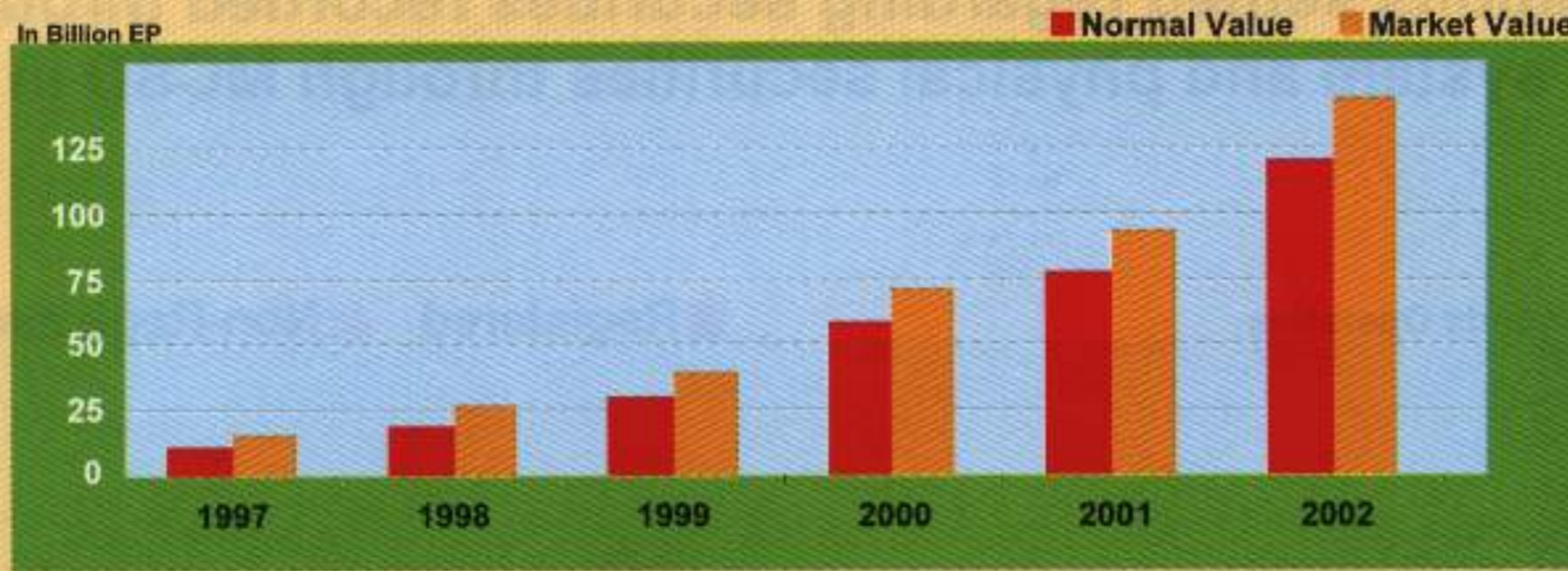
## The development in the volume of the settlement for the registered securities in the central depository system



Development of stocks settled for Securities at central depository system: The number of such securities is 766,509,115, an increase of about 24% compared to 2001

كمية الأوراق المالية التي تمت تسويتها بنظام الإيداع المركزي عدد 766509115 ورقة بزيادة 24 % تقريبا عن عام 2001.

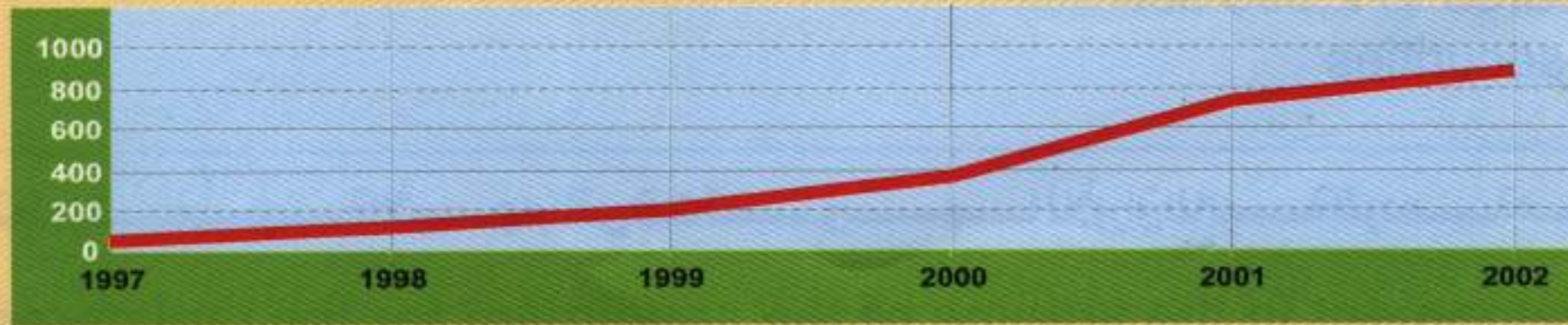
## The development of the nominal and market capital for the registered securities in the central depository system



Nominal capital Development of securities registered through central depository system at the end of 2002 is 120,879bn EP an Market capital of securities registered through central depository system at the end of 2002 is 143,357bn EP, An increase of about 33% compared to 2001.

تطور رأس المال الاسمي للأوراق المالية المقيدة بالإيداع المركزي بنهاية عام 2002 ، 120.879 مليار جنية مصري بزيادة قدرها 55.65 % عن عام 2001 كما تطور رأس المال السوقي للأوراق المالية المقيدة بالإيداع المركزي فى نهاية عام 2002 ، 143.157 مليار جنية مصري بزيادة قدرها 33 % تقريبا عن عام 2001.

## The number of member issuers in the central depository system



Development of issuers registered through central depository system: 870 issuers are registered through central depository system at the end of 2002, An increase of about 19,18% compared to 2001, including 23 bonds

تطور عدد الجهات المصدرة المقيدة بالإيداع المركزي حتى نهاية عام 2002 ، 870 جهة مصدرة بزيادة قدرها 19.18 % عن العام السابق منها عدد 23 سند.

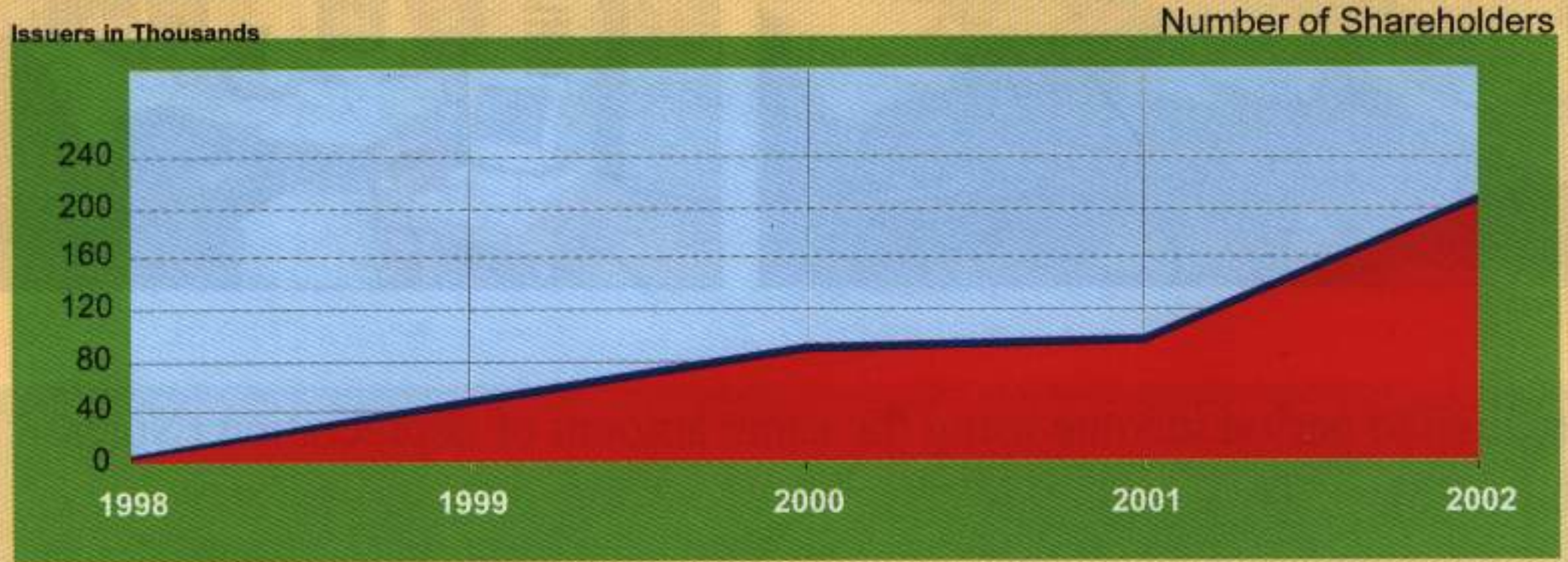
## The development in the number of bonds registered in the central depository system



The number of bonds registered through central depository system at the end of 2002 is 23, four (4) of which were registered during 2002. Four (4) bonds were also depreciated during 2002.

عدد سندات الجهات المقيدة بالإيداع المركزي حتى نهاية عام 2002 ، 23 سند تم قيد أربعة منها خلال عام 2002 وتم استهلاك عدد أربعة سندات خلال نفس العام.

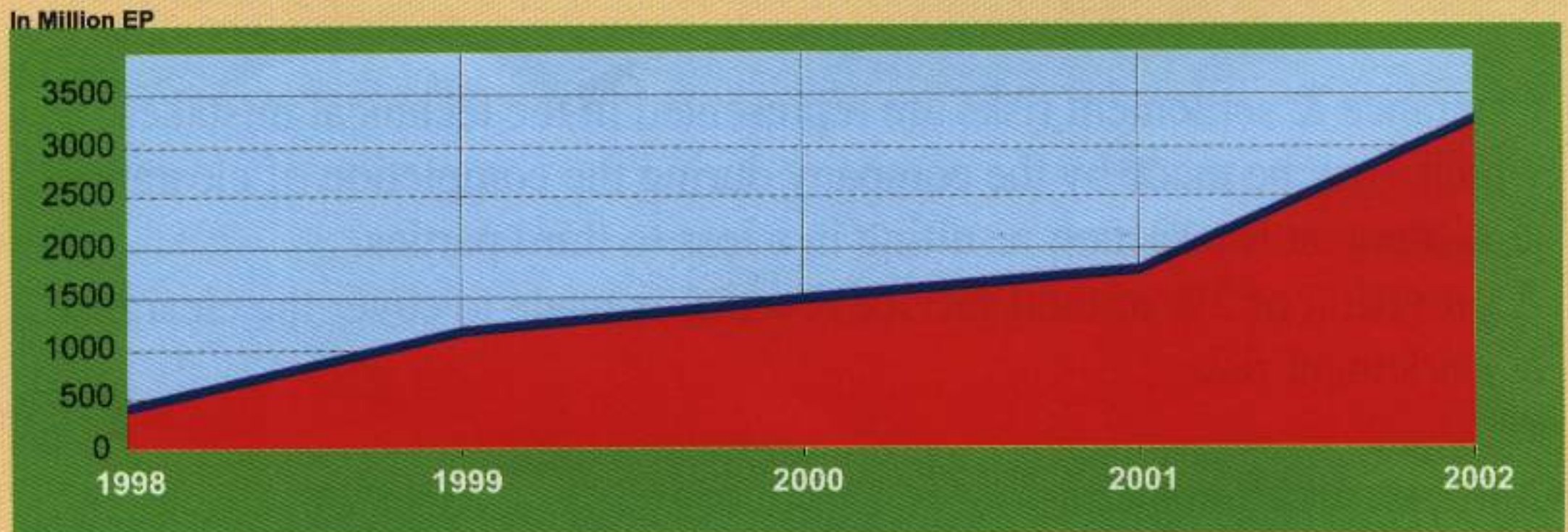
## The development of the value of distributed cash dividends for the registered securities in the central depository system



3,2bn EP were paid as profits to shareholders of issuers registered with the central depository system in 2002, An increase of about 85,44% compared to 2001

تم توزيع مبلغ قدره 3.2 مليار جنيه مصري تقريبا كأرباح لمساهمي الجهات المصدرة المقيدة بالإيداع الحفظ المركزي خلال عام 2002 بزيادة قدرها 85.44% عن عام 2001.

## The development in the number of stock holders who received their cash dividends up to 2002



Cash dividends were paid to 201,539 shareholders through 40 cash payment counters accredited by the company all over the country. Payments may be made by check to the order of the customer or transferred directly into the customer's bank account.

تم توزيع الأرباح النقدية لعدد 201539 مساهم من خلال الصرف النقدي عن طريق منافذ الصرف المعتمدة لدى الشركة والبالغ عددها 40 منفذ صرف موزعة على معظم أنحاء الجمهورية أو استخراج شيك بإسم العميل أو التحويل للحساب المصرفي للعميل.