



Palestine
Capital Market
Authority

2000

Annual
Report

*Board
of
Directors*

Board of Directors



Mr. Maher Masri
Chairman



Dr. Hasan Abu-Libdeh
Deputy Chairman
Ministry of National Economy



Mrs. Mona Masri
Ministry of Finance



Mr. Reyad Abu Shehadeh
Palestinian Monetary Authority



Mr. Nabil Abudial
Banking Sector



Mr. Walid Et Najab
Private Sector



Mr. Aziz Abdel Jawad
Private Sector



Vision

Palestine Capital Market Authority to be the proficient regulator and the safeguard of a strong and transparent capital market in Palestine.

Mission

To implement a modern, robust, transparent and fair regulatory framework for the securities, insurance, mortgage and leasing markets in Palestine.



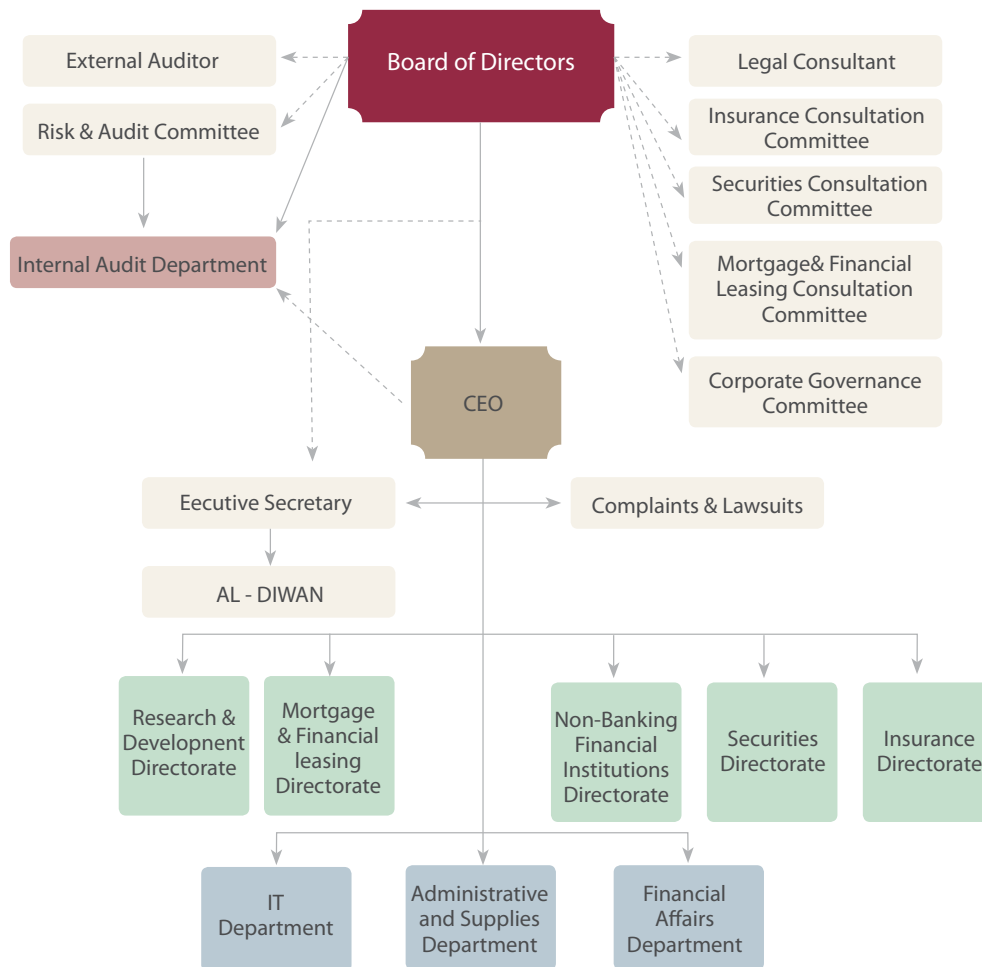
Goal

To maintain an orderly capital market, with the institutional capability to conduct effective and responsible market oversight and supervision that supports capital investment and economic growth in Palestine through:

Objectives

- Strengthening the legal and regulatory structure in accordance with international standards and best business practices.
- Ensuring investor access to complete, accurate, and transparent financial information on Palestinian enterprises.
- Protecting the interests of investors by developing the internal capacity for risk-based regulation and market monitoring practices.
- Implementing regional initiatives in coordination with relevant stakeholders to attract foreign investment in Palestine.
- Establish cooperation mechanism with the Palestine Monetary Authority to support the market development.

Organizational Chart



The Palestine Capital Market Authority (PCMA):

The Palestine Capital Market Authority was established as an autonomous agency by law No.(13) of the year (2004). It is governed by a Board of Directors composed of seven members. Its jurisdiction encompasses the securities market, the insurance sector, the financial mortgage and leasing sectors, along with any other non banking financial institutions. In the past years the PCMA chaired the National Committee for Corporate Governance in Palestine.

During 2010 the PCMA embarked on a number of projects aimed at improving the internal working environment as well as enhancing the dissemination of information to the public. It has contracted a renowned company to prepare the standard operating procedures (SOP's) within the PCMA and has upgraded its dynamic website to include more relevant and up-to-date information. Moreover, the PCMA has signed an MOU with the Palestinian Monetary Authority to enhance cooperation and coordination that leads to lower risks in the financial market. Meanwhile scores of staff members have been receiving high level training in their respective field of operation.

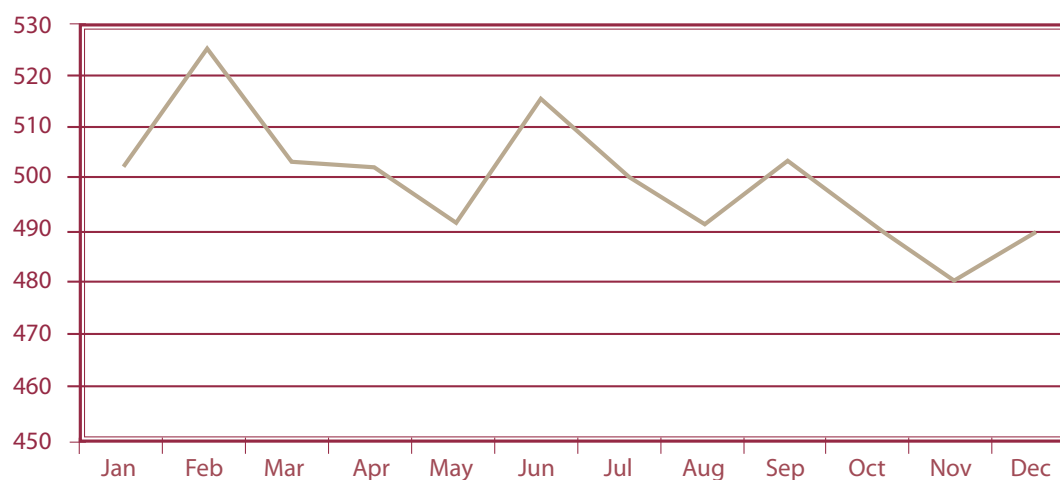
Securities Market:

At the end of 2010 Alquds Index closed at level 489.60 points down by 0.69 % from year 2009, while the traded value of shares dropped by 10% for the same period; meanwhile the number of listed companies increased to 40 and the market value of the listed companies rose by 3%.

Alquds Index Quarterly Performance, 2010

Period	Alquds Index	Percentage change compared with previous quarter (%)	Percentage change compared with 1/1/2010 (%)
1/1/2010	493.00	----	----
31/3/2010	503.17	2.06	2.06
30/6/2010	515.84	2.52	4.63
30/9/2010	503.74	2.35-	2.18
31/12/2010	489.60	2.81-	0.69-

Alquds Index 2010



PEX trading activities, 2009-2010

Year	Trading sessions	Trading volume	Trading value (\$)	Number of transactions	Average daily trading value (\$)	Market capitalization (\$)
2009	246	238,877,373	500,393,398	88,838	2,034,120	2,375,366,531
2010	249	230,516,370	451,208,528	82,625	1,812,082	2,449,901,545

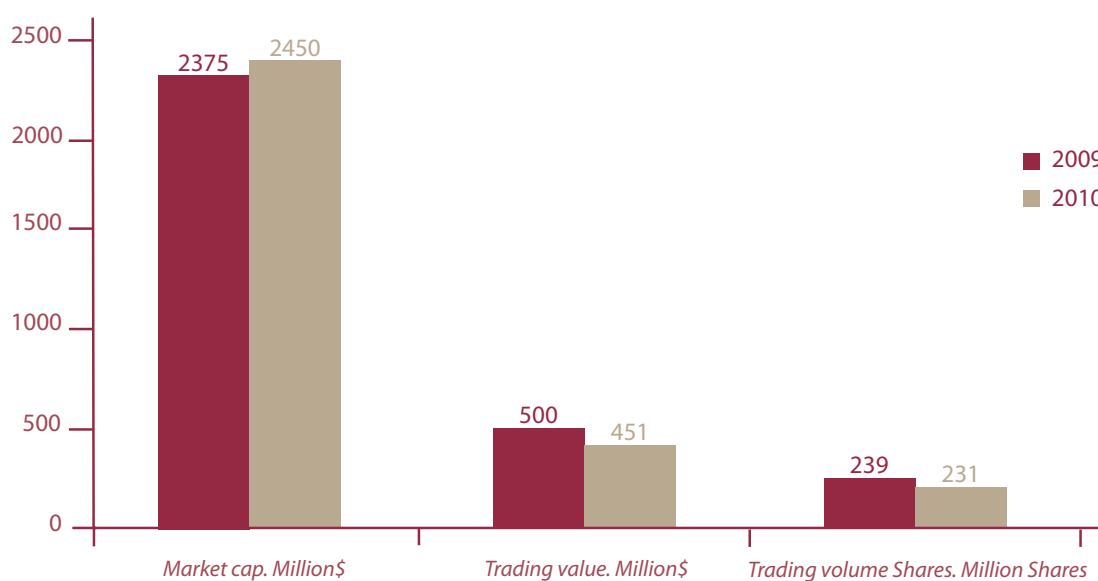
Market Capitalization and trading value as percentage of GDP*

	2009*	2010**
Market capitalization as % of GDP*	45.3%	46.7%
Trading value as % of GDP*	9.5%	8.6%

* Apparent differences in ratios of 2009, compared with what was published in the 2009 annual report, is due to adoption the final 2009 GDP in fixed prices.

** 2009 GDP was adopted because 2010 GDP was not published.

Market cap., Trading value, and Trading volume 2009-2010



Listed companies performance for the period ending 31/12/2010

Company Name	Symbol	Currency	Net Profit
AL – WATANIAH TOWERS	ABRAJ	\$	195,453
THE ARAB HOTELS	AHC	JD	(112,331)
ARAB ISLAMIC BANK	AIB	\$	(2,103,540)
AHLIEA INSURANCE GROUP	AIG	\$	36,651
ALRAFAH MICROFINANCE BANK	AMB	\$	211,087
ARAB PAINT PRODUCTS	APC	JD	650,027
ARAB INVESTORS	ARAB	JD	118,587
ARAB REAL ESTATE ESTABLISHMENT	ARE	JD	(269,582)
PALESTINE POULTRY	AZIZA	JD	4,443,282

BANK OF PALESTINE	BOP	\$	30,119,469
BIRZEIT PHARMACEUTICALS	BPC	JD	4,207,664
GLOBALCOM TELECOMMUNICATIONS	GCOM	\$	(1,340,353)
GOLDEN WHEAT MILLS	GMC	JD	1,176,733
GRAND PARK HOTEL & RESORTS*	HOTEL	JD	(11,194)
AL-I'TIMAN FOR INVESTMENT & DEVELOPMENT*	IID	JD	---
PALESTINE ISLAMIC BANK	ISBK	\$	1,594,453
JERUSALEM CIGARETTE	JCC	JD	1,222,058
JERUSALEM PHARMACEUTICALS	JPH	JD	2,384,736
JERUSALEM REAL ESTATE INVESTMENT	JREI	\$	661,781
PALESTINE PLASTIC INDUSTRIES	LADAEN	JD	(362,721)
AL MASHRIQ INSURANCE	MIC	\$	(1,774,447)
THE NATIONAL CARTON INDUSTRY	NCI	JD	109,937
NATIONAL INSURANCE	NIC	\$	5,277,065
NABLUS SURGICAL CENTER	NSC	JD	425,598
PALESTINE DEVELOPMENT & INVESTMENT	PADICO	\$	38,753,000
PALESTINE TELECOMMUNICATIONS	PALTEL	JD	86,336,000
PALESTINE COMMERCIAL BANK	PCB	\$	1,794,022
PALESTINE ELECTRIC	PEC	\$	6,782,383
PALESTINE INVESTMENT BANK	PIBC	\$	1,569,530
PALESTINE INSURANCE	PICO	\$	(1,697,785)
PALESTINE INVESTMENT & DEVELOPMENT	PID	JD	(89,830)
PALESTINE INDUSTRIAL INVESTMENT	PIIC	JD	4,056,727
ARAB PALESTINIAN SHOPPING CENTERS	PLAZA	JD	(353,097)
PALESTINE REAL ESTATE INVESTMENT	PRICO	JD	2,854,928
AL QUDS BANK	QUDS	\$	4,404,155
THE RAMALLAH SUMMER RESORTS	RSR	JD	56,396
TRUST INTERNATIONAL INSURANCE COMPANY	TRUST	\$	1,603,988
UNION CONSTRUCTION AND INVESTMENT	UCI	\$	1,942,774
THE VEGETABLE OIL INDUSTRIES	VOIC	JD	1,996,136
PALESTINIAN DISTRIBUTION & LOGISTICS SRVs	WASSEL	JD	9,848

* Has been Suspended from trading.

Note: In 2010 two companies were delisted, ARAB INSURANCE ESTABLISHMENT "AIE" and ARAB COMPANY for PAINT PRODUCTS "APC".

PEX monthly trading activities, 2010

Month	Volume	Value (\$)	Trading sessions	# of transactions	Al- Quds Index
January	10,117,254	20,965,047	20	5,203	502.43
February	33,321,492	70,292,521	20	7,014	525.18
March	18,563,562	43,728,192	23	6,508	503.17
April	19,721,903	30,601,760	21	8,314	501.72
May	27,305,023	41,027,685	21	10,913	491.58
June	38,511,878	76,804,789	22	12,743	515.84
July	13,802,919	24,974,679	21	6,284	501.50
August	10,277,596	16,736,748	23	5,647	491.83
September	12,225,024	26,975,941	19	4,904	503.74
October	18,005,287	21,623,395	21	5,545	491.48
November	9,859,580	33,454,692	18	3,970	480.88
December	18,804,852	44,023,080	20	5,580	489.60

The Insurance Sector:

The insurance portfolio increased by 21% in 2010 compared to 2009, with a total value of \$126 million, while total paid up value of claims reached \$66.5 million in 2010 compared to \$56 million in 2009. The PCMA, in its endeavor to improve conditions and to reduce the risks in the insurance sector, has conducted an actuarial study with the help of external actuaries. It is expected by the completion of this exercise that insurance companies will be called upon to rectify their positions accordingly .

Some financial and operational performance indicators of the insurance sector 2009 – 2010

	2009	2010
Number of insurance companies	10	10
Number of insurance companies branches	88	103
Number of the insurance sector employees	875	1,007
Number of insurance agents	225	265
Total insurance premiums (USD)	104,304,394	125,801,552
Marine insurance (USD)	1,094,914	1,325,147
Fire insurance(USD)	6,822,880	7,320,789
General insurance (USD)	16,086,274	19,084,964
Health insurance (USD)	16,816,966	19,799,781

Vehicles insurance (USD)	60,551,846	74,826,749
Life insurance (USD)	2,931,514	3,444,122
Total compensation (USD)	56,201,425	66,430,926
Total current assets (USD)	147,793,625	171,735,544
Total investment (USD)	160,812,755	180,314,797
Total receivables (USD)	56,544,335	61,466,712
Net receivables (USD)	44,595,899	49,372,584
Total assets (USD)	300,517,572	298,372,951
Total insurance contracts assets (USD)	26,320,119	24,609,551
Total liabilities of insurance contracts (USD)	146,420,893	145,411,293
Paid-Up Capital (USD)	55,599,143	62,247,650
Obligatory reservation (USD)	7,191,826	7,845,331
Optional reserve (USD)	3,234,300	3,398,364
Cumulative change in fair value (USD)	4,419,124	8,332,170
Gains (revolved losses) (USD)	1,009,015	1,792,236
Shareholders' equity and minority Interests (USD)	84,495,166	95,606,579

Reserves have been reclassified under the item re-insurance contract assets and liabilities of insurance contracts .

Mortgage Financing and Leasing Sectors:

Year 2010 witnessed an upsurge in housing development projects, and it is expected to keep that momentum for the coming few years; hence establishing the legal frame work for this sector has become a priority for the PCMA. For that reason, it has enlisted the support of the World Bank through First Initiative to work on preparing the required law. PCMA has already received the first draft of the law and has since then been organizing workshops with stakeholders to get their input, in preparation for the final draft which is expected to come out before the end of 2011.

As for the leasing sector, the number of licensed companies has reached 8, while the relevant draft leasing law is almost complete and is expected to be presented to the relevant authorities for final approval and endorsement by the second half of 2011

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