



Palestine
Capital Market
Authority

2019

Annual
Report



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*His Excellency Mahmoud Abbas
President of the State of Palestine*

Board of Directors



Dr. Nabeel Kassis

Chairman



Mr. Tareq Al Masri

Vice-Chairman
Ministry of National Economy



*Mr. Mahmoud
Nofal*

Ministry of Finance



*Mr. Mohammad
Manasrah*

Palestinian Monetary Authority



*Mr. Joseph
Nesnas*

Banking Sector



*Mr. Mohammad
Abu Ramadan*

Private Sector



*Dr. Abd El Fattah
Abu Shokr*

Private Sector

Strategic Plan 2016-2020

Vision

An effective regulatory authority that aims at developing a sound capital market and protecting the interests of stakeholders

Mission

Regulating, supervising, and overseeing the securities, insurance, financial leasing, and mortgage finance sectors in Palestine as well as ensuring that their work complies with the principles of transparency, fairness and integrity, in line with international best practices.

Strategic goals

- Strengthening Insurance sector through restructuring and organizing its status in a manner that contributes to the sector's stabilization and growth.
- Stimulating and deepening the securities sector and raise society awareness regarding the importance of investment in securities sector.
- Create the enabling environment for the work and growth of the mortgage finance sector.
- Develop services provided by financial leasing sector and raise its contribution to the economy.
- Prepare internal organizing developments that contributes to achieving PCMA goals.

Foreword by the Chairman

Dr. Nabeel Kassis



First, I would like to take the opportunity of writing this foreword for the 2019 annual report to extend my gratitude to the Board members of the Palestine Capital Market Authority (PCMA) for their efforts in facilitating the operations of the PCMA and for providing the executive management with advice and recommendations, that have assisted them in carrying out their duties and fulfilling the institution's objectives. I would also like, personally and on behalf of the Board, to commend the executive management and the entire staff of PCMA for all their efforts and achievements, which have contributed to the development of the institutional operations and performance.

In the course of 2019, PCMA's Board of Directors convened eight ordinary board meetings, some of which required supplementary meetings, which often required as much effort as an ordinary meeting. In spite of the care taken not to overcrowd the meetings' agendas, some of the business items, such as the budget and the bylaws – which were duly addressed by the Board this year – required additional time for deliberation. I take this opportunity to thank the Board members for their commitment, patience and cooperation in granting every agenda item its due share of discussion. Furthermore, ordinary and ad hoc committees formed by the Board convened many meetings to deliberate issues that were referred to them, dedicating the necessary time for that and duly discharging their tasks and submitting their recommendations to the Board to decide on. The Board also addressed organizational, regulatory and administrative

matters within its purview, and issued the necessary instructions to facilitate PCMA's operations following the issuance of the financial and administrative regulations by the cabinet of ministers towards the end of the year 2018. Accordingly, the Board effected the necessary amendments to its bylaws based on the recommendation of the Executive Management, which regularly assesses the effectiveness of the applicable bylaws and identifies gaps based on practice. Furthermore, the Board issued instructions and administrative guidelines within its competence to ensure the efficiency of institutional operations and the proper discharge by the PCMA of its tasks and responsibilities, thus enhancing compliance with the laws and regulations by the financial sectors within its purview.

Another matter that is worth pointing out is PCMA's careful follow-up on the implementation of its 2016-2020 strategic plan. Accordingly, PCMA has doubled its efforts to construct a building of its own and thus secure suitable premises for its operations. We hope to lay the cornerstone for the new premises in the first half of 2020, thus taking another step toward fulfilling one of the important milestones in the strategic plan. The PCMA has also proceeded in implementing business-continuity plan and disaster recovery, which constitutes another objective in the strategic plan, expected to be concluded in the first half of 2020. Also, the long-sought stability in the staffing of the PCMA Insurance Directorate has been achieved, thus realizing expectations stated at the end of the previous year. This yielded tangible positive

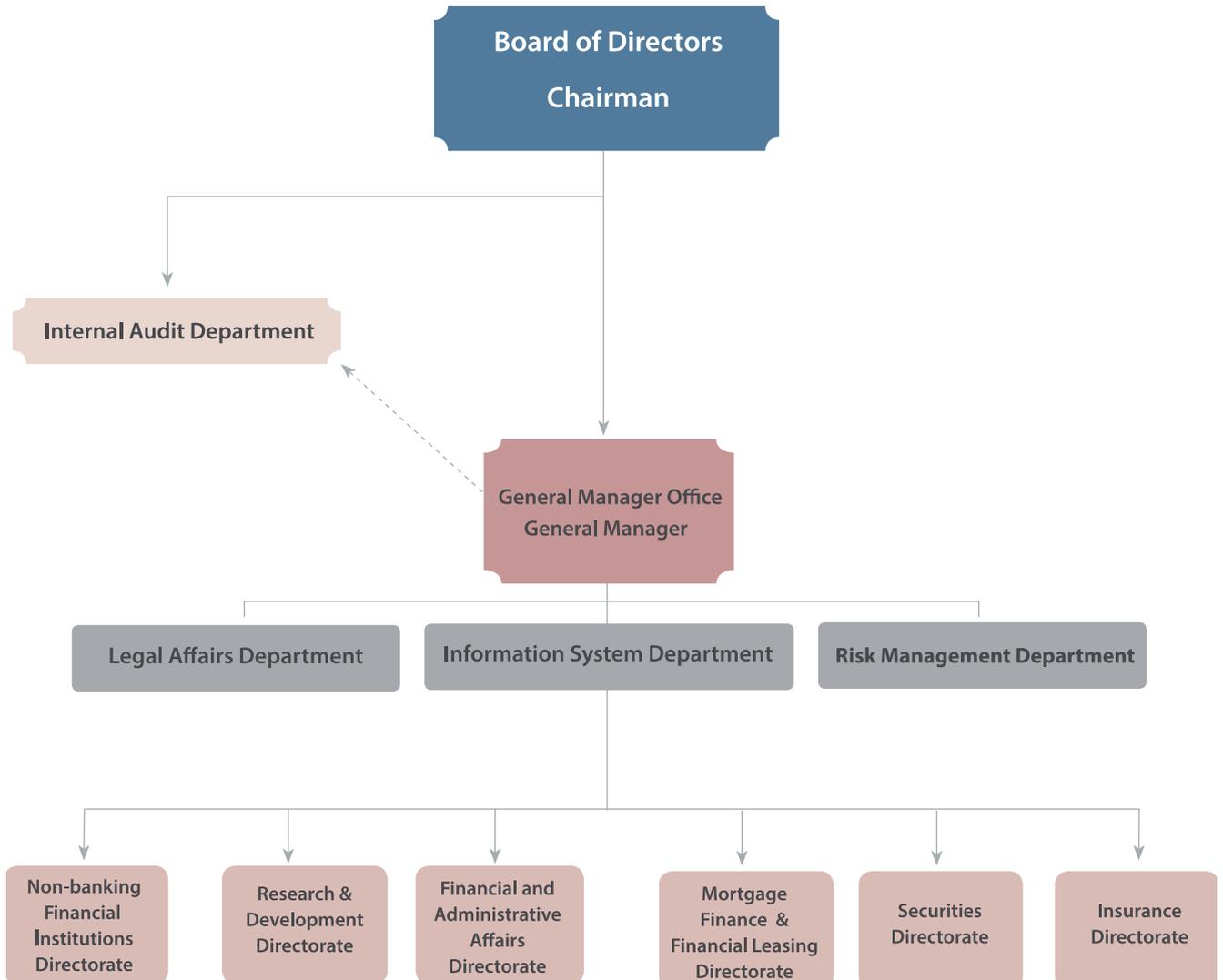
results for the work relations with partner entities, especially the Palestine Road Accident Victims Compensation Fund, of whose Board the PCMA Insurance Director is a member ex officio. The PCMA Board approved the bylaws for supervising the fund in accordance with the amendment to the Insurance Law effected at the beginning of the year and the two Boards are now cooperating more effectively in safeguarding the public interest.

Another development during 2019 is the establishment of the Higher Authority for Sharia Supervision as an independent authority. This was done jointly with the Palestine Monetary Authority (PMA), while the two authorities continue to cooperate in other arenas, such as the implementation of the National Strategy for Financial Inclusion under active joint monitoring. PCMA also organized a campaign to raise awareness and introduce the members of the Trade, Industrial and Agriculture Chambers and their affiliates to various non-banking financial sectors, especially financial leasing. Such campaigns will continue in the coming year. Also, the PCMA has introduced a new division in the Office of the Director General which is the public and international division, and entrusted it with bolstering coordination and networking with international financial institutions.

This foreword is not a substitute for a thorough reading of the report, given that there are numerous accomplishments, not alluded to here, by the executive management, the general directorates, and their departments and subdivisions. Two developments that we would like to highlight, however, are the commencement of implementation of an updated staff performance evaluation instrument following its approval by the Board of Directors, and the start of the process of automation of the work and operations of the PCMA, which is expected to enhance the effectiveness of services it provides. The first step in this respect was the digitization of the financial leasing contracts and the enhancement the technical capabilities of the relevant staff in related ministries.

Finally, my appointment as the Chairman of the PCMA and its Board of Directors has been renewed as of September 2019 for a second and final term and I look forward to working alongside my colleagues in the Board of Directors to implement PCMA's institutional plans towards more achievements, development and prosperity. On behalf of PCMA's Board, It gives me pleasure to acknowledge the important support accorded to this important state's institution by H.E. the Prime Minister, H.E. the Minister of Finance and the august cabinet of Ministers. I extend to them all our gratitude and appreciation.

Organizational Chart



Palestine Capital Market Authority:

During 2019, PCMA has continued implementing its plans and programs according to its tasks stipulated in the law, in addition to strengthening its internal and international relations, and based on the objectives mentioned in PCMA strategic plan for the years 2016-2020. In the context, PCMA key achievements during 2019 were the following:

- **Reforming of the centralized Sharei'a Board.** Palestine Capital Market Authority PCMA and Palestine Monetary Authority PMA reformed the centralized Sharei'a Board In line with the best international practice issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). It is worth mentioning that the centralized Sharei'a Board has held its first meetings during the year 2019 at PCMA headquarter the meeting was about regulating the Islamic financial services in Palestine.
- **Enhancing the cooperation between Palestine Capital Market Authority PCMA and Palestine Monetary Authority PMA.** During the year 2019, PCMA and PMA have expanded the scope of their joint memorandum of cooperation toward enhancing the continuous coordination in achieving the related goals. In order to maintain the financial and monetary stability in addition to protecting all of the potential and future investors in Palestinian capital markets, as well as enhancing the confidence in the banking and financial institutions and promoting the financial inclusion in Palestine.
- **Implementing the competency framework for the insurance sector.** In the beginning of the year 2020, PCMA started the actual implementation of the competency framework for the insurance certification program "fit and prober framework", which mainly aims at developing and improving the work of the insurance sector in Palestine by raising the capabilities of it's staff. Furthermore, this competency framework is linked with the licensing requirements for the insurance professionals and the main jobs in the insurance companies, as the framework certificates are one of licensing requirements.
- **Holding number of specialized sessions and meetings about Anti-money Laundering and Financing terrorism.** During the year 2019, the staff in the insurance, securities and financial leasing sectors had attend these sessions which was conducted by PCMA with the cooperation of the financial follow up unit. These sessions included a presentation of the recent updates concerning the mutual evaluation process, which Palestine will be subject to during the year 2020.
- **Insurance companies joining the Unified Credit Inquiry System.** Under the PCMA's efforts toward urging the companies to join the unified credit inquiry system issued by Palestine Monetary Authority "PMA", in order to let the companies benefit from the advantages provided by this system. It is also worth mentioning that this system enhances the stability of the insurance companies as well as enhancing the financial stability and the company's liquidity ratios.
- **The Council of Ministers approved the Financial and administrative regulation for PCMA.** In the cabinet session, No (234) held on 27. Dec 2018, The Council of Ministers approved the Financial and administrative regulation for PCMA. It is effective from the date in which it was published in the Al-Waqai' al-Filastiniyyah newspaper (Palestinian official gazette).
- **The endorsement for a number of regulating instructions concerning the securities sector.** During the year 2019, PCMA board of directors has endorsed a number of regulating instructions about the custodian.

Corporate Governance:

The year 2019 had a number of achievements concerning Corporate Governance in Palestine due to PCMA's efforts in enhancing the Corporate Governance in the public shareholding companies listed on the Palestine Exchange in addition to increase the awareness and knowledge in this regard.

The following is a summary of the main developments in the year 2019 in terms of Corporate Governance:

- **Developing the corporate governance regulations for the insurance sector in Palestine.** During the year 2019, PCMA started working on developing the corporate governance regulations for the licensed insurance companies with the cooperation of International Finance Corporation IFC.
- **Implementation of two Training of Trainers (TOT) in the Corporate Governance field.** PCMA implemented two TOTs in the corporate governance with the cooperation of International Finance Corporation IFC. These training targeted the lecturers in the Palestinian academic institutions and universities, which already have signed the agreement that aims to advance corporate governance practices and to integrate the corporate governance course into the curriculum of the Faculty of Business and Economics in their universities.
- **The continuous enrollment of PCMA's corporate governance course into Palestinian universities.** During the year 2019, PCMA has continued its efforts toward enrolling the corporate governance course into the curriculums of the Faculty of Business and Economics in Palestinian universities. It is worth mentioning that by the end of the first semester in the academic year 2019/2020, 2595 students have successfully passed the course.

Financial Inclusion:

Since the launching of the National Strategy of Financial Inclusion in the year 2018, PCMA has continuously worked on enhancing the financial inclusion in Palestine through the national committee co-chairs jointly chaired by PCMA and PMA which was appointed by the Council of Ministries. It has been tirelessly working on enhancing initiatives, which mainly aimed to increase financial inclusion from the current level of 36.4% to at least 50% by the end of 2025.

During the year 2019, the technical committee has finalized developing the financial inclusion official website. It is worth mentioning that the website represents a platform for all of the data related to the financial inclusion. On the other hand, that developing a central database related to the financial inclusion indicators is taking place among other activities. PCMA is particularly working on developing financial products and services that targets special society groups specially those who are targeted in the strategy to enhance the financial inclusion.

On the administrative level, the technical committee has formed and launched the work of six specialized groups as the following:

- Gender Working Group.
- Financial Technology (Fintech) Working Group.
- Development of Services and Products Working Group.
- Financial capabilities Working Group.
- The Economic Media Working Group.
- Micro, small and Medium Enterprises MSMEs Working Group.

These working groups will start the implementation of the plan emanating from the National Financial Inclusion Strategy.

It is worth mentioning that Palestine is considered one of the first Arab countries to develop and launch a national strategy for financial inclusion in accordance with international standards and best practices. The financial inclusion contributes directly in fulfillment the financial stability and economic growth for countries, by incorporating the society and its segments into the formal financial system and protect their rights in addition to ease the access of SMEs and other marginalized groups to finance.

Securities Sector:

During the year 2019, Palestine Capital Market Authority PCMA had issued regulations no. (1) For the year 2019 regarding dealing with securities, and regulations no. (2) For the year 2019 concerning licensing the Custodian. In addition to approving, the Palestine stock exchange request toward reducing the guarantee of the trading ceiling for the member companies to reach USD 500,000.

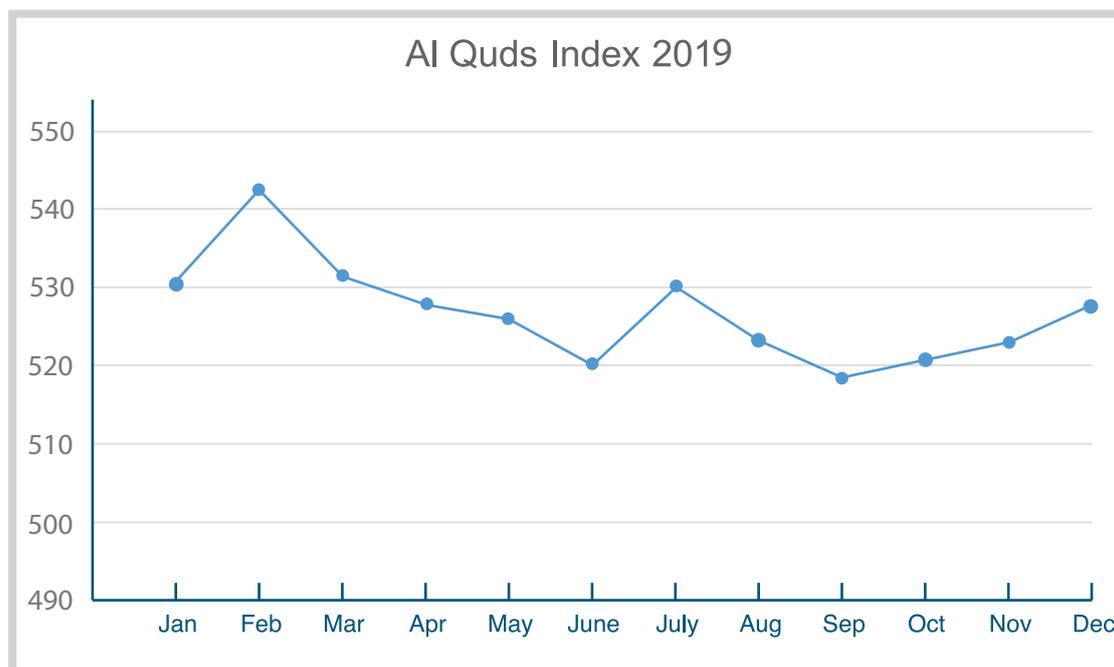
PCMA has continued its efforts toward Anti-money Laundry and financing terrorism, it has developed a number of working papers of risk related to Anti-money Laundry and Financing terrorism. In this regard, PCMA has implemented the first specialized inspection in Anti-money Laundering and financing terrorism on the brokerage firms and Palestine stock exchange. At the end of 2019, Al-Quds index closed at 526 points, recording a decrease of 0.6% from its closing at the end of the year 2018, which is 529.4 points.

Key indicators of Palestine Securities Sector for the year 2019

Al-Quds Index Quarterly Performance 2019

Period	Al-Quds index	Percentage change compared with previous quarter (%)	Percentage change compared with 31/12/2018 (%)
31/12/2018	529.4	---	---
31/3/2019	530.5	0.2	0.2
30/6/2019	519.8	-2.0	-1.8
30/9/2019	517.7	-0.4	-2.2
31/12/2019	526.0	1.6	-0.6

AI Quds Index 2019



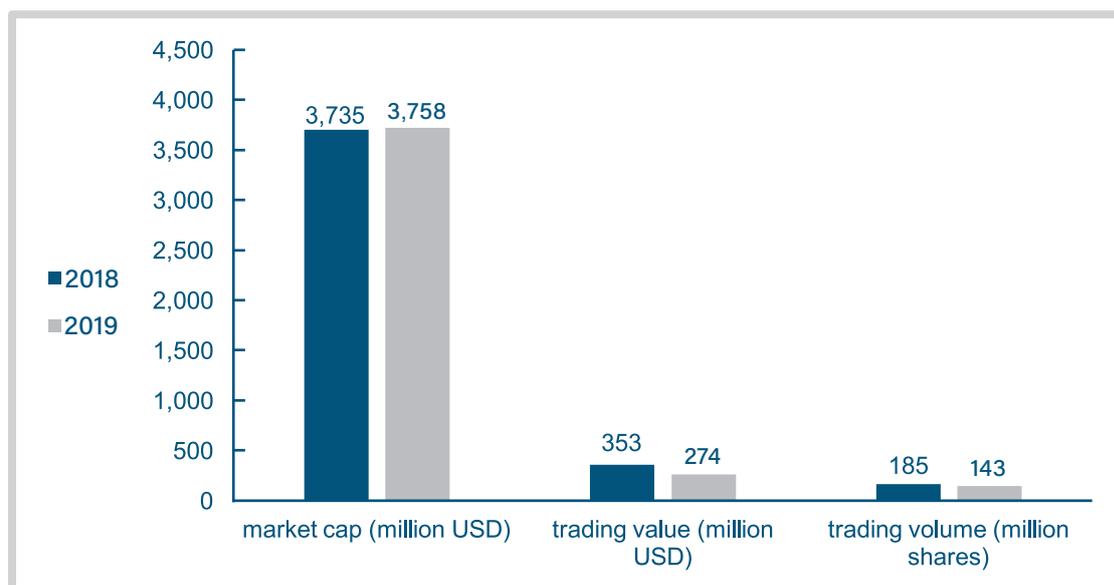
PEX trading activities, 2018-2019

Year	Trading Sessions	Trading volume	Trading value(\$)	Number of transactions	Average daily trading value(\$)	Market Capitalization (\$)
2018	243	185,071,060	353,476,019	35,030	1,454,634	3,734,921,019
2019	246	142,827,719	273,905,762	29,276	1,113,438	3,757,501,158
%	1.2	-22.8	-22.5	-16.4	-23.5	0.6

Market capitalization trading value as percentage of GDP

Description	2018 (%)	2019 (%)
Market capitalization as % of GDP (current prices)	22.9	23.1
Trading value as % of GDP (current prices)	2.2	1.7

Market capitalization, trading value, and trading volume 2018-2019



Listed companies' performance for the period ending 31/12/2019*

	Company name	Symbol	Currency	Net Profit (Loss)
1	Arab Islamic Bank	AIB	\$	9,010,282
2	Bank of Palestine	BOP	\$	38,936,722
3	Palestine Islamic Bank	ISBK	\$	14,524,068
4	Palestine Investment Bank	PIBC	\$	4,521,105
5	Al Quds Bank	QUDS	\$	11,223,643
6	The National Bank	TNB	\$	18,122,438
7	Palestine Securities	PSE	\$	596,281
8	Arab Paint Products	APC	JD	849,284
9	Palestine Poultry	AZIZA	JD	3,941,532
10	Birzeit Pharmaceuticals	BPC	\$	9,518,841
11	Al Shark Electrode	ELECTROD	JD	7,183
12	Jerusalem Cigarette	JCC	JD	144,294
13	Jerusalem Pharmaceuticals	JPH	\$	5,012,972
14	Palestine Plastic Industries	LADAEN	JD	(63,398)
15	National Aluminum and Profile	NAPCO	JD	446,625
16	The National Cartoon Industry	NCI	\$	285,234

17	The Vegetables Oil Industries	VOIC	JD	6,700,417
18	Dar Al-Shifa'a for the Manufacturing of Pharmaceuticals	PHARMACARE	\$	1,674,817
19	Golden Wheat Mills	GMC	JD	815,181
20	Beit Jala Pharmaceutical Co.	BJP	JD	1,373,189
21	Ahliea Insurance Group	AIG	\$	746,101
22	Global United Insurance	GUI	\$	1,565,685
23	Al Mashriq Insurance	MIC	\$	1,558,955
24	National Insurance	NIC	\$	7,168,738
25	Palestine Insurance **	PICO	\$	---
26	Al-Takaful Palestinian Insurance	TIC	\$	2,101,613
27	Trust International Insurance Company	TRUST	\$	4,005,292
28	Al-Aqariya Trading Investment	AQARIYA	\$	632,460
29	Arab Investors	ARAB	JD	62,657
30	Jerusalem Real Estate Investment	JREI	\$	(281,582)
31	Palestine Development & Investments	PADICO	\$	25,132,000
32	Palestine Investment & Development	PID	JD	(276,106)
33	Palatine Industrial Investment	PIIC	JD	6,141,999
34	Palestine Real Estate Investment	PRICO	JD	(4,594,882)
35	Sanad construction resources	SANAD	\$	(966,239)
36	Union construction and Investment	UCI	\$	861,497
37	Arab Palestinian Investment Company (APIC)	APIC	\$	22,331,295
38	Al-Wataniah Towers	ABRAJ	\$	1,461,776
39	The Arab Hotels	AHC	JD	(1,252,342)
40	Arab Real estate Establishment ***	ARE	JD	---
41	Globalcom Telecommunications ***	GCOM	\$	---
42	Nablus Surgical Center	NSC	JD	474,935
43	PALAQAR For Real Estate Dev. & Management **	PALAQAR	JD	---

44	Palestine Telecommunications	PALTEL	JD	63,967,000
45	Palestine Electric	PEC	\$	12,450,448
46	The Ramallah Summer Resorts	RSR	JD	309,890
47	Palestinian Distribution & Logistics SRVs	WASSEL	\$	257,175
48	WATANIYA Palestine Mobile Tele-comm	OOREDOO	\$	1,123,117

* Based on final disclosed financial statement.

** The company did not disclose the audited financial statements until the date of issuing this report.

*** Symbol is suspended.

PEX monthly trading activities, 2019*

Month	Value (\$)	Volume	#of Transactions	Trading Sessions	AI-Quds Index
January	33,789,329	19,436,381	2,681	21	531.1
February	33,120,370	18,951,204	2,687	20	541.2
March	36,352,437	20,569,241	3,330	21	530.5
April	22,290,609	12,623,895	3,614	20	527.6
May	14,642,798	9,441,064	2,372	21	525.4
June	10,320,804	5,709,826	1,667	17	519.8
July	22,180,717	15,275,562	2,875	23	529.4
August	7,620,816	4,291,420	1,750	16	523.6
September	20,139,120	11,403,720	2,259	22	517.7
October	10,712,596	4,876,096	1,858	23	519.5
November	48,195,773	13,263,669	2,140	20	521.5
December	14,540,393	6,985,641	2,043	22	526.0

* Total activity includes over-the-counter transactions.

Insurance Sector:

During the year 2019, PCMA has finalized the preparation of an actuarial study (based on a mandate from the Council of Ministries), aiming to fixing an appropriate price for the motorcycles insurance premiums according to the insurance law and its secondary legislations. According to the study results, PCMA has submitted a proposal to amend the regulation that sets the prices level and the pricing concerning the Motor insurance and work insurance (related to motorcycles insurance) to the Council of Ministries in order to take the appropriate legal procedures, which expected to be approved in the year 2020.

Insurance Penetration and Density:

Insurance contribution to the gross domestic production “Insurance Penetration” is still modest, recorded as 1.9% in 2019, although this percentage has grown over the last five years. On the other hand, the Insurance density, which measures the individual’s share of the total insurance portfolio, has witnessed growth over the last five years, reaching USD 60 at the end of the year 2019.

Key indicators for Palestinian insurance sector for the year 2019¹:

A. Financial and operational performance for insurance sector 2018-2019

Currency: (US Dollar)

	Description	2018	2019
General information	Number of insurance companies	10	10
	Number of insurance companies branches	151	160
	Number of insurance companies employees	1,401	1,532
	Number of insurance agents and producers	271	300
Insurance sector results	Motor insurance premiums	184,407,507	204,246,742
	Workers insurance premiums	23,565,137	24,851,968
	Health insurance premiums	34,586,219	35,119,320
	Fire insurance premiums	13,824,848	14,288,928
	Marine insurance premiums	1,796,569	1,885,616
	Engineering insurance premiums	5,958,361	6,074,106
	Civil liability insurance premiums	4,308,065	4,387,383
	Non-life insurance premiums	4,601,928	5,376,909
	Life insurance premiums	6,321,964	6,278,096
	Total insurance premiums	279,370,598	302,509,068
	Total paid- up claims	166,307,996	182,660,629
	Net incurred claims	158,971,394	173,974,813
	General and administrative expenses*	54,597,762	58,180,291
	Net income after tax	15,442,849	16,904,603
Net profit of technical insurance activities	21,105,525	15,818,670	

1 The financial statements of Palestine Insurance Company for the year 2019 have not been authorized from PCMA, until the date of preparing this report. Therefore, changes may occur on several items such as, insurance policies liabilities, provisions, net income and retained earnings (losses), and their implications on other items.

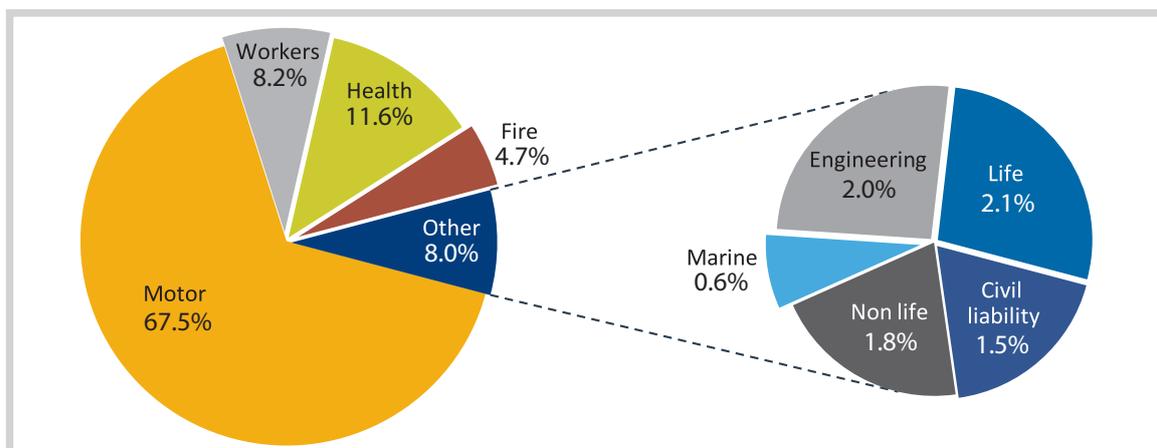
Summary of assets and liabilities for insurance sector	Total current assets	324,386,554	365,483,873
	Total non-current assets	217,044,830	238,841,053
	Total investments	249,330,540	259,946,368
	Total receivables	84,907,919	98,412,093
	Net receivables	68,995,745	78,490,144
	Accounts payable	24,924,604	33,166,874
	Total assets	541,431,384	604,324,926
	Total insurance policies assets	48,830,985	54,736,605
	Total non-current liabilities	17,695,482	26,583,350
	Total current liabilities	337,483,380	388,263,368
	Total insurance policies liabilities	261,035,374	291,765,798
	Paid-up capital	90,000,000	94,460,000
	Statutory reserve	17,132,051	18,507,585
	Optional reserve	10,441,574	11,243,731
	Cumulative change in assets fair value	21,802,824	15,684,873
	Retained earnings (losses)	41,863,492	41,500,195
	Total shareholder's equity	186,252,522	189,478,208

*General and administrative expenses include both distributed and undistributed general and administrative expenses.

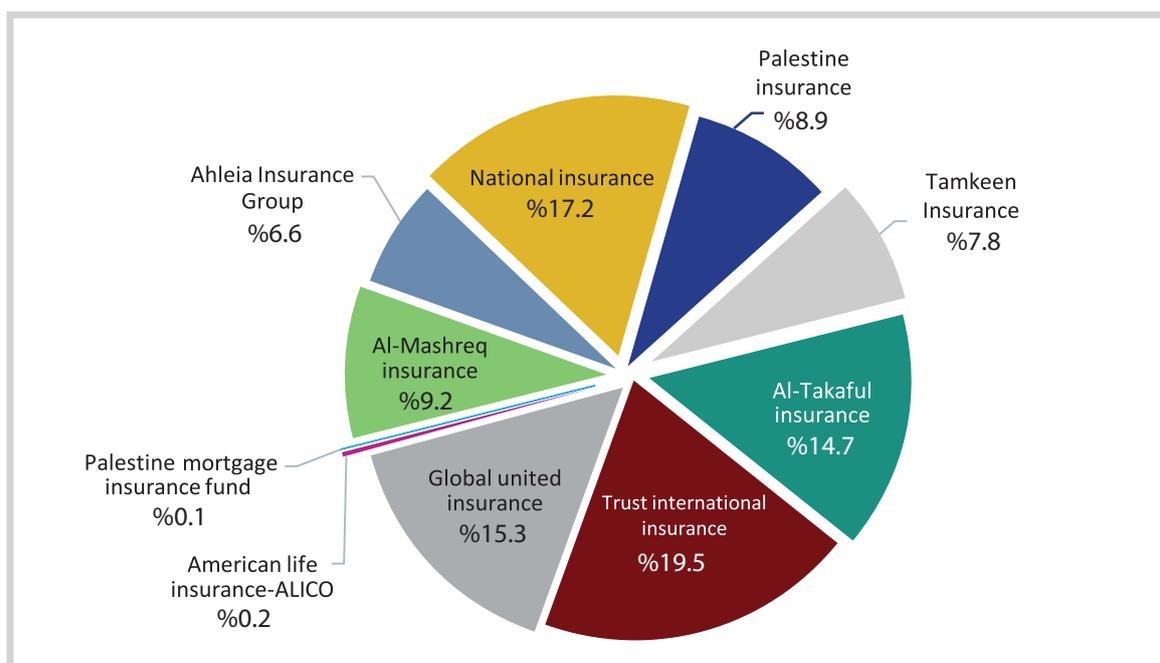
B. Market Concentration

At the end of 2019, both health and motor insurance still have the large percent of the total insurance portfolio, which account 79.1% of the total insurance portfolio, while various types of insurance products have maintained relatively stable market shares over the last five years. On the other hand, three of the ten insurance companies capturing 52% of gross written premiums in the Palestinian insurance sector by the end of 2019.

Total insurance portfolio per product as it is on 31/12/2019 (total value of 302.5 USD Million)



Total insurance portfolio per company as it is on 31/12/2019 (total value of 302.5 USD Million)



C. Aggregate balance sheet as it is on 31/12/2019

Currency: (US Dollar)

Description	2018	2019
Non-current assets		
Net property, plant and equipment	47,212,102	52,432,877
Real estate investments	82,101,869	93,159,913
Contributions in affiliated companies	21,538,073	21,154,765

Loans for related parties	2,614,291	343,200
Financial investments available for sale	32,387,724	31,348,449
Financial investments holding to maturity	16,267,922	20,344,667
Cheques under collections (due after more than 12 months)	2,420,437	4,430,825
Restricted deposits	1,265,000	3,196,552
Deferred tax assets	5,072,137	6,447,977
Financial assets at amortized cost	6,165,275	5,981,828
Total non- current assets	217,044,830	238,841,053
Current assets		
Financial investments for trading	11,585,701	8,270,319
Insurance policies, current risk- motor	2,513,650	3,705,774
Insurance policies, current risk- non-life	6,769,893	6,590,598
Insurance policies, reported claims- motor	23,442,701	26,244,531
Insurance policies, reported claims-non-life	16,046,216	17,510,062
Insurance policies- life	58,525	685,640
Total insurance policies	48,830,985	54,736,605
Accounts receivable for insurance & reinsurance companies	6,325,466	7,256,219
Accounts receivable	84,907,919	98,412,093
(Provision for accounts receivable)	(15,912,174)	(19,921,949)
Net accounts receivable	68,995,745	78,490,144
Other accounts receivable	18,034,953	20,692,599
Cheques under collections (due within 12 months)	68,703,838	96,663,878
Bank deposits	73,818,568	74,959,951
Cash and cash equivalent	26,505,181	23,227,433
Current Real estate investments	1,586,117	1,186,725
Total current assets	324,386,554	365,483,873
Total assets	541,431,384	604,324,926

Shareholder's equity and liabilities		
Shareholder's equity		
Paid-up capital	90,000,000	94,460,000
Statutory reserve	17,132,051	18,507,585
Optional reserve	10,441,574	11,243,731
Issuance premium (discount)	655,390	655,390
Cumulative change in fair value	21,802,824	15,684,873
Changes in foreign currency exchange	(1,842,138)	(13,340)
Retained earnings (losses)	41,863,492	41,500,195
Minority interest	6,917,381	7,456,110
Treasury stocks	(174,465)	(174,465)
Head office current account	(543,587)	158,129
Total shareholder's equity	186,252,522	189,478,208
Surplus of Takaful fund subscribers	0	0
Non-current liabilities		
Provision for end of services benefits	14,468,951	16,204,880
Long term loans	921,902	2,472,948
Deferred Tax liabilities-Long Term	2,304,629	4,224,762
Long term account Payable	0	3,680,760
Total non-current liabilities	17,695,482	26,583,350
Current liabilities		
Insurance policies liabilities		
Current risks reserve, motor	58,546,703	69,909,430
Current risks reserve, non-life	22,567,881	25,493,490
Mathematical reserve, life	8,583,591	7,940,844
Total	89,698,175	103,343,764
Outstanding reported claims reserve, motor (compulsory)	67,612,829	79,236,160
Outstanding reported claims reserve, motor (TP)	44,700,503	44,990,524

Outstanding claims reserve, non-life	48,715,309	55,663,913
Unreported outstanding claims reserve	9,857,951	6,876,992
Claims reserve, life	450,607	1,654,445
Total	171,337,199	188,422,034
Total current liabilities (insurance policies)	261,035,374	291,765,798
Accounts payable	24,924,604	33,166,874
Accounts payable for insurance & reinsurance companies	11,708,285	12,539,045
Accrued expenses	3,649,282	104,058
Other provisions	9,626,298	13,569,407
Other accounts payable	11,173,851	17,205,015
Short term loans	937,814	1,319,811
Accounts payable, banks	5,196,835	9,626,229
Deferred cheques	9,231,037	8,967,131
Total current liabilities	337,483,380	388,263,368
Total shareholder's equity and liabilities	541,431,384	604,324,926

D. Aggregate income statement for the year ended 31/12/2019

Currency: (US Dollar)

Description	2018	2019
Written insurance premiums	279,370,598	302,509,068
(Reinsurer's share of written premiums)	(31,898,507)	(33,871,941)
Net insurance written premiums	247,472,091	268,637,127
±Change in current risks reserve- mathematical life insurance reserve	(7,124,337)	(10,145,064)
±Reinsurer's share in change of current risks reserve- mathematical life insurance reserve	(6,772)	1,287,652
Net earned premiums	240,340,982	259,779,715
Income from insurance activities	225,547	164,728
Reinsurance commission	3,705,483	3,757,073
(Paid-up commissions)	(16,881,996)	(19,926,942)

Other revenues from insurance activities	0	0
Net revenues from insurance activities	227,390,016	243,774,574
(Paid- up claims)	(166,307,996)	(182,660,629)
(Paid up premiums to cover loss's surplus)	0	0
Reinsurer's share of paid up claims	16,063,764	17,377,888
±Change in reserve of outstanding and unreported claims	(10,545,314)	(9,316,824)
±Reinsurer's share of change in reserve of outstanding and unreported claims	1,818,152	624,752
Net incurred claims	(158,971,394)	(173,974,813)
(Losses) profits of currency exchange in converting technical reserves to US Dollar	0	0
(Distributed general and administrative expenses)	(36,826,357)	(37,004,101)
(Agency fees and speculation expenses)*	(10,486,740)	(16,976,990)
Total expenses of insurance activities	(206,284,491)	(227,955,904)
Net profit of technical insurance activities	21,105,525	15,818,670
Revenues (investments, rents, interests., etc.)	21,519,951	30,018,258
±Currency differences	(1,595,424)	762,817
Provisions of increase (decrease) in fair value of investments	3,037,435	1,452,377
(Undistributed administrative expenses)	(17,771,405)	(21,176,190)
(Allowance for doubtful account)	(2,016,913)	(3,217,533)
(Other expenses)	(385,669)	(848,825)
Provision (redemption), takaful fund subscribers loan**	(67,983)	(29,431)
Net income before tax	23,825,517	22,780,143
(Value added and income tax)	(8,382,668)	(5,875,540)
Net income	15,442,849	16,904,603

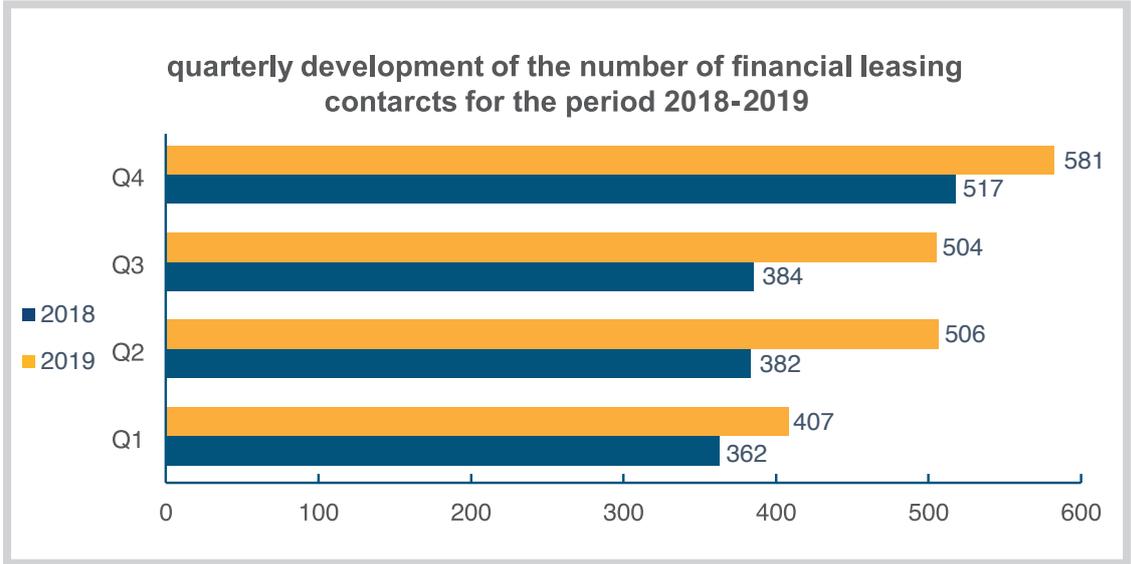
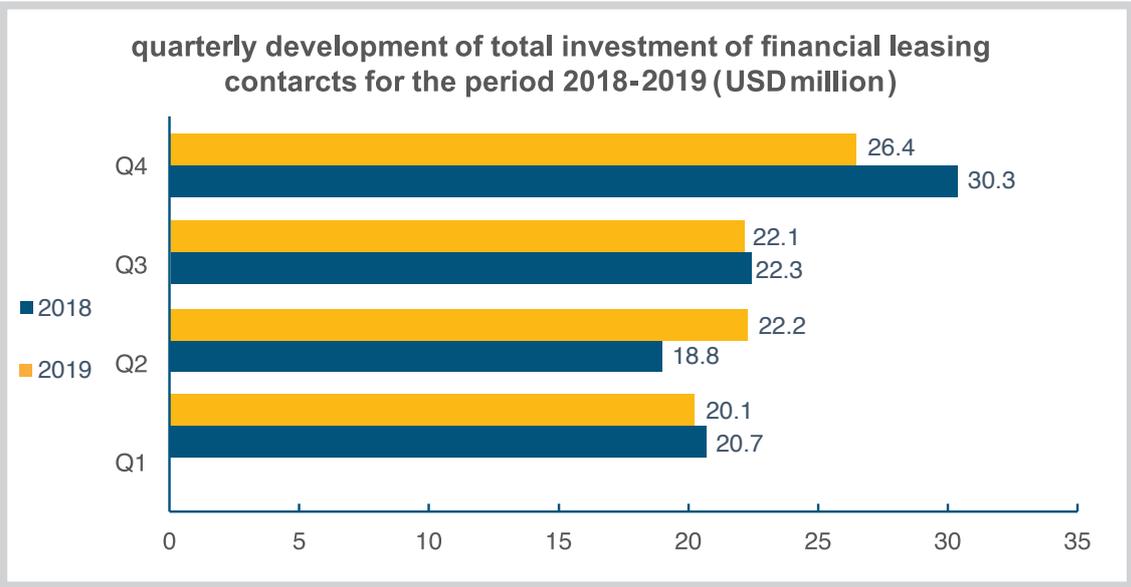
*Agency fees and speculation expenses are remunerations payable to shareholders for their efforts in managing the operations and the investments on behalf of Al Takaful participants.

** Provision (redemption)- Al-Takaful fund subscribers' loans is the remaining balance of the total contributions paid by policyholders during the year after deducting incurred claims, paid-up claims, expenses, technical reserves, and the agency fees.

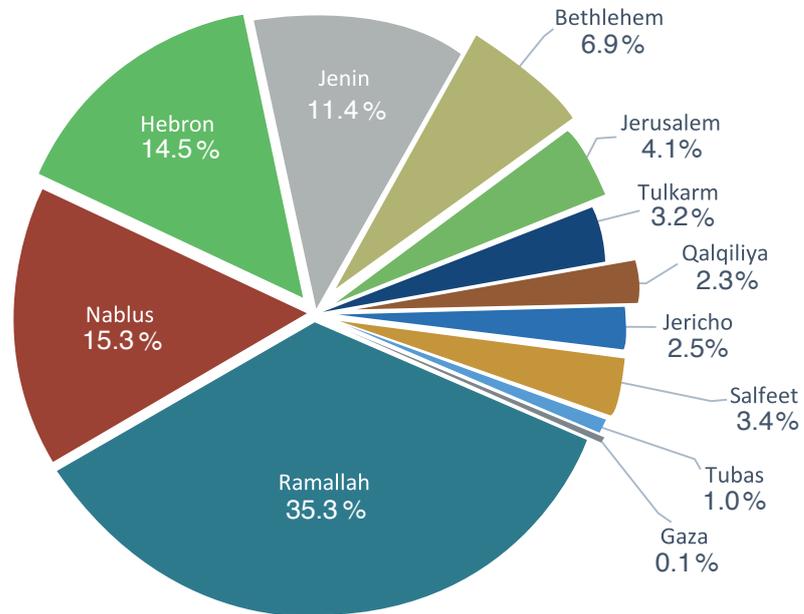
Mortgage Finance & Financial Leasing Sectors:

The number of financial leasing companies licensed by PCMA reached 9 companies, since in the year 2019 PCMA had stopped 4 companies from their work because of the Non-compliance with the regulations of licensing the financial leasing companies No. (1) for the year 2016. The total value of investment contracts registered at PCMA were USD 90.9 million (through 1,998 contracts) at the end of the year 2019. It is worth mentioning that there was an increase in the number of contracts registered at PCMA by 21.5%.

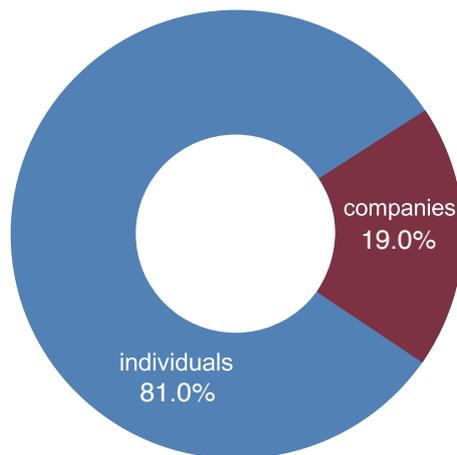
Concerning mortgage finance, and according to the PCMA's strategic goal about the networking and cooperation with ministries and other agencies, toward regulating and developing the mortgage finance sector, PCMA, as a member of the national team for sustainable development, has participated in implementing the Goal 11 of the sustainable development agenda 2015 -2030 which constitutes of 17 goals. in addition, PCMA attended the periodical meetings held by the team, and participated in drafting the SDGs report for progress in Goal 11: "Make cities and human settlements inclusive, safe, resilient and sustainable". it's worth mentioning that PCMA had a major and important role in proposing special indicators related to tracking the progress of the goal 11.



distribution of financial leasing contracts across regions in 2019



distribution of financial leasing contracts based on the nature of contractees for 2019



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