



## About PMA

The Palestine Monetary Authority (PMA) is an independent public institution responsible for the formulation and implementation of monetary and banking policies to maintain price stability and low inflation, foster financial stability and safeguard the banking sector and promote sustainable growth of the national economy. PMA works to achieve these goals through:

- Development and execution of monetary policy designed to ensure low inflation and achieve price stability.
- Effective and transparent regulation and supervision of banks, specialized lending institutions and money changers operating in Palestine.
- Overseeing the development, implementation and operation of modern, efficient payment systems.

PMA operates by an act of the Palestine Legislative Council's PMA Law Number (2) of 1997, which stipulated the proper authority and autonomy of the PMA and the Banking Law Number 9 of 2010.

## Vision

To be a full-fledged and modern central bank for an independent and sovereign Palestinian state, capable of achieving monetary stability by keeping inflation under control, and maintaining financial stability, especially of the banking sector. PMA also works to achieve sustainable economic growth, and promote integration into the regional and global economy.

## Mission

Ensuring monetary stability by keeping inflation under control and fostering price stability, by issuing and managing national currency, as well as contributing to maintaining financial stability, though promoting a sound and secure banking system and an efficient national payments system. PMA also assumes the role of economic and financial advisor to the Palestinian government. To attain these goals, the PMA implements effective policies and employs its financial and human resources, and technical capabilities.

## Governance

The PMA has issued a Corporate Governance Code for banks to ensure that banks adopt and implement sound corporate governance practices and therefore maintain public trust and confidence in the Palestinian banking sector. The Code has been set at a high standard, consistent with the international best practices.

## Milestones

- 1994 Palestine Monetary Authority was established by a Presidential Decree No. (184)
- 1997 Issuing the legislative council's Law of Palestine Monetary Authority No. (2)
- 2007 Presidential Decree No. (9) on Anti Money Laundering.
- 2008 Launching Credit Bureau
- 2008 Presidential Decree No. (13) on Money Changers Licensing and Supervision.
- 2010 Establishment of National Payment System
- 2010 Presidential Decree No. (9) on Banking law
- 2010 Launching Bounced Checks System
- 2011 Launching of Buraq (Real Time Gross Settlement System "RTGS" in Palestine)
- 2011 Presidential Decree No. (132) on Licensing and Supervision on Specialized Lending Institutions
- 2011 Establishment of Market Conduct Department
- 2011 Establishment of Consumer Relations Hall
- 2012 Presidential Decree No. (17) on National Payments Law
- 2012 Basic account for every citizen program
- 2012 Issuing the PMA Business Cycle Index (PMABCI)
- 2013 Launching of International Bank Account Number (IBAN)
- 2013 Presidential Decree Law on Palestine Deposit Insurance Corporation
- 2013 Obtaining an International Award from Child and Youth Finance International in Amsterdam, for organizing the best financial and banking awareness program over the Middle East and North Africa region "Child & Youth Banking Week" that aims at reinforcing financial awareness among children and youth.
- 2014 Launching the E clearing system
- 2014 Launching the Public Key Infrastructure-PKI
- 2015 Launching National Switch System (194)
- 2015 Launching PMA Management Information System (MIS)
- 2015 Launching PMA Geographic System (GIS)

## Palestinian Banking System as end of Dec. 2016

- Regulated Banks (15 Banks):

### Local Commercial Banks

Bank of Palestine P.L.C- Palestine Investment Bank- Al Quds Bank - The National Bank

### Local Islamic Banks

Arab Islamic Bank- Palestine Islamic Bank – Safa Bank



## Foreign Commercial Banks

Cairo Amman Bank - Arab Bank - Jordan Kuwait Bank - Jordan Ahli Bank - Bank of Jordan - Egyptian Arab Land Bank - The Housing Bank for Trade & Finance - Jordan Commercial Bank

### Banking system indicators:

- Total Deposits 11.7 Billion USD.
- Total Credit Portfolio 6.9 Billion USD.
- Total assets 13.9 Billion USD.
- Employing more than 6,407 people. end of 3<sup>rd</sup> quarter
- Network of 309 branches & offices, end of 2016
- Total number of Specialized Lending Institutions is 6.
- Total number of Specialized Lending Institutions branches is 82.
- 80 employees gained Palestine Anti -Money Laundering Accreditation (PAMLA) certification from Palestine Banking Institute.
- 184 employees attended the Currency Detecting Forgery and Counterfeiting training course in the Palestine Banking Institute.
- Total number of Licensed Money Changers is 276.
- Non-Performing Loans (NPL) didn't exceed 2.2 %.

## The PMA Monthly Business Cycle Indicator

- The PMA Business Cycle Indicator for Dec. /2016 is 8.1 in West Bank and -12.9 in Gaza Strip

### Financial Stability:

#### Supervision and Inspection on:

Banks  
Specialized Lending Institutions  
Money Changers

#### Consumers' Relations and Market Conduct by:

Credit Bureau  
Credit Scoring  
Financial Literacy  
Bounced Checks System (Nasham)

Provide the infrastructure for the payments system, a sophisticated and safe to implement: the total payments and retail payments

## Publications:

### Annual Reports:

PMA Annual Report, Financial Stability Report , Economic Forecasting.

### Quarterly Report:

Economic Monitors, Inflation Report, Economic Developments, Local Liquidity Developments, Global Markets, Public Finance & Public Debt Sustainability, Quarterly Economic Forecasting, Balance of Payment, Direct Investment Survey, External Sustainability Report, Al Mersah Magazine

### Monthly Reports:

PMA Business Cycle Index (PMABCI)

## Annual events

- March 16th Child and Youth Banking Week.
- Banking Conference.

## Achievements:

- Obtaining an International award from Child and Youth Finance International in Amsterdam, for organizing the best financial and banking awareness program over the Middle East and North Africa region "Child & Youth Banking Week" that aims at reinforcing financial awareness among children and youth.
- The World Bank and International Monetary Fund praise the role of the Palestine Monetary Authority (**PMA**) in the management and organization of the banking sector, particularly in crises
- Palestine Monetary Authority received **SAG Award** for a special achievement in **GIS**, from **Esri**, an American world leader in geographic information system (**GIS**) technology.