



# Building an Economy from Scratch



## Courtesy of the Association of Banks in Palestine

In an economy heavily reliant on foreign aid, it's hard to imagine the process of building a real economy, one that can withstand an ever-tumultuous political situation. The Association of Banks in Palestine recognizes that one of the very important facets of freedom is a stable economy that has its own infrastructure and a plan of action.

With its seven board members and the capacity to dream, the Association of Banks in Palestine was established in 1998 as a non-profit initiative by the banks operating in Palestine to represent the Palestinian banking sector and work to preserve its interests.

The Association of Banks in Palestine strives to create a collective vision for the Palestinian banking sector, from which an individual vision for each bank can be created, and the banking industry in Palestine can be improved.

Moreover, the association conducts research relevant to its members, and provides technical assistance to keep employees in the financial sector abreast of all recent developments and progress through cooperation and connection with similar organizations. In addition, it provides information and knowledge to develop the financial industry through studies, workshops, seminars, and newsletters. The association also communicates with international institutions to take advantage of their experience and advanced expertise.

The Association of Banks in Palestine believes in the importance of the unique relationship it has with the Palestinian Monetary Authority (PMA), and works with the PMA to achieve their common goals for the Palestinian financial system. They also work with private sector institutions to create

bases of cooperation and a supportive environment for investment.

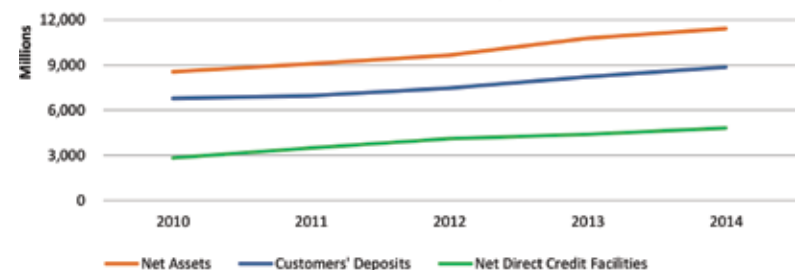
The existence of a strong and sustainable banking sector in Palestine is the cornerstone of economic development. That's why the Association of Banks in Palestine is committed to playing an effective role in enabling the financial sector and establishing a Palestinian economy, in spite of political and economic difficulties. The association focuses on recruitment, support, research, activities, and keeping everyone informed about the banks' achievements through public relations and media.

The association's goals center on the most important issues that Palestine's economy needs to improve upon in order to move forward:

- 1) Protecting the interests of its members and coordinating with them to achieve their common interests.



### Growth Trend in the Banking Sector



## Aggregated Balance Sheet main items



- 2) Strengthening the national economy.
- 3) Improving the performance of banking services and updating methodology.
- 4) Consolidating the banking business' concepts and customs, and following standardized systems and procedures.

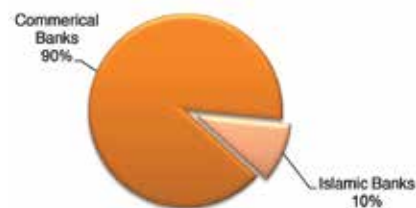
It might be difficult to think about this technical language as a way to some

kind of freedom, but doing things right might lift us, as a society, from the darkness of chaos and indetermination, and put us on a clearer path to self-realization.

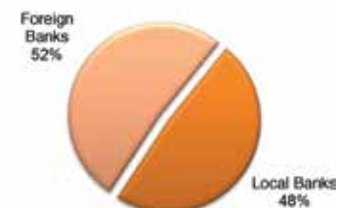
Below is a list of publications by the Association of Banks in Palestine. We recommend our readers who have an interest in this field to pick up a copy and learn a little about the association's work and future possibilities!



## The share of bank assets by type



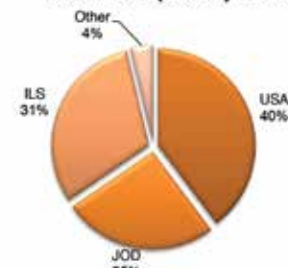
## Share of assets as registered by the bank



## Customers deposits by geographical distribution



## Customers deposits by currency



**Banks in Palestine Magazine:** a quarterly publication covering the latest news, events, and issues concerning the financial sector.

**The Banking Indicator:** a monthly publication aiming to provide knowledge about the realities of the financial sector in Palestine.

**The Banking Data Card:** which accompanies *The Financial Indicator* and provides the most recent information on the main budget.

**The Banking Studies Book:** an annual publication covering twelve major analytical studies on the most important issues concerning the Palestinian financial sector.

**The Status of the Banks Book:** an annual publication showcasing the latest information and data that concerns financial issues at banks, analyzes their performances, and compares the operations of different functioning banks.

**The Banking Facts Card:** accompanies the *Status of the Banks Book*, showcasing the most important financial list data and summarizing the operations of different functioning banks.

**The Social Role of Banks Booklet:** an annual publication showcasing the banks' most important social achievements and contributions.

## Our Readers Say ...

"... The Palestinian banking system is very unique because we do not have a national currency. Therefore the responsibility of the regulator is much higher than in other regions. Having said so, accessibility of banking services is still present. Yet banking is very risky since we can deposit and borrow in four currencies that we cannot control. We're taking risks, but this is necessary unfortunately". — Issa Kassis (Ramallah, 47)

## Palestinian Banking Sector

### Fact sheet 2014

Banks	
<b>Total</b>	<b>17</b>
<b>By registration:</b>	
Local Banks	7
Arab Banks	9
Foreign Banks	1
<b>By type:</b>	
Commercial Banks	15
Islamic Banks	2

Branches & Offices	
<b>Total</b>	<b>257</b>
<b>By registration:</b>	
Local Banks	141
Arab Banks	115
Foreign Banks	1
<b>By type:</b>	
Commercial Banks	227
Islamic Banks	30

ATMs	
<b>Total</b>	<b>549</b>
<b>By registration:</b>	
Local Banks	311
Arab Banks	238
Foreign Banks	0
<b>By type:</b>	
Commercial Banks	463
Islamic Banks	86

Employees	
<b>Total</b>	<b>5,763</b>
<b>By registration:</b>	
Local Banks	3,314
Arab Banks	2,435
Foreign Banks	14
<b>By type:</b>	
Commercial Banks	4,988
Islamic Banks	775

Aggregated Financial Statements	
Net Assets	11,416,790,629
Customers' Deposits	8,906,475,208
Net Direct Credit Facilities	4,816,611,416
Owners Equity	1,467,422,409
Net Profit for the Year	146,906,186

Banks' Accounts ( Number )	
Savings	1,409,079
Current	1,078,824
Term	123,913

Banks' Accounts ( Value )	
Savings	2,837,296,791
Current	3,414,151,736
Term	2,200,816,954

Cards	
ATM Cards	163,074
Credit Cards	70,029
Debit Cards	419,676

Payments ( Number )	
Total Transaction on RTGS (BURAQ)	175,253
Cheques Presented for Clearing	4,637,772
ATM Cards	9,256,447
Credit Cards	1,562,626
Debit Cards	4,163,161

Payments ( Value )	
Total Transaction on RTGS (BURAQ)	33,909,400,829
Cheques Presented for Clearing	11,117,803,759
ATM Cards	2,416,457,089
Credit Cards	163,938,758
Debit Cards	991,988,629

Bank	Net Assets	Customers' Deposits *	Net direct Credit Facilities
<b>Arab Bank</b>	3,090,058,838	2,673,878,413	1,267,498,157
<b>Bank of Palestine</b>	2,424,773,961	2,062,524,075	1,151,825,644
<b>Cairo Amman Bank</b>	837,631,061	619,612,394	296,909,437
<b>The National Bank</b>	679,908,084	413,995,155	298,630,685
<b>Quds Bank</b>	669,362,172	516,980,571	336,171,649
<b>Palestine Islamic Bank</b>	595,259,913	** 455,926,491	*** 352,961,215
<b>The Housing Bank for Trade &amp; Finance</b>	574,400,474	446,334,879	206,899,597
<b>Bank of Jordan</b>	567,098,127	479,079,825	141,177,924
<b>Arab Islamic Bank</b>	561,908,064	** 425,823,500	*** 247,125,470
<b>Palestine Investment Bank</b>	320,813,772	199,141,992	102,149,259
<b>Palestine Commercial Bank</b>	279,352,043	169,566,911	128,793,403
<b>Jordan Ahli Bank</b>	269,956,756	183,017,604	118,291,296
<b>Jordan Commercial Bank</b>	167,371,346	82,523,908	54,354,956
<b>Egyptian Arab Land Bank</b>	148,979,393	80,559,136	86,172,497
<b>Jordan Kuwait Bank</b>	124,032,807	55,765,742	12,911,096
<b>Union Bank</b>	83,132,608	27,583,417	10,945,408
<b>HSBC Bank Middle East Limited</b>	22,751,212	14,161,195	3,793,724

Owners' Equity	Net Profit (loss) for the year	No. of Employees	No. of Branches and offices	No. of ATM's
264,573,856	50,129,179	887	27	93
280,106,578	40,222,506	1,280	54	112
86,543,008	9,897,513	557	21	47
80,010,532	4,438,380	293	9	25
70,547,283	7,232,904	561	27	54
67,539,672	7,537,607	461	19	45
80,952,104	6,929,932	249	13	31
74,431,986	5,660,886	323	**** 17	39
67,729,769	4,129,844	314	11	41
68,610,388	2,829,494	235	14	18
36,314,006	1,198,637	170	7	16
64,698,079	3,744,042	147	5	12
58,280,670	3,953,337	91	5	5
54,298,933	-458,656	134	6	7
52,170,865	392,949	32	2	3
54,593,267	320,460	15	1	1
6,021,413	-1,252,829	14	1	0

As of 31 December, 2014, all amounts in USD

\*Include the cash margin, \*\*Also include unrestricted investment accounts ( Islamic bank )

\*\*\*Net Direct Financing ( Islamic bank), \*\*\*\*Does not include traffic department offices