

Banking Supervision Department Office of the Supervisor		
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Jerusalem, 12 Adar 5786

March 1, 2026

Ref: 26LM5644

To:

Banking Corporations and Credit Card Companies

Re: Supervisory Highlights for the Banking System Following Operation Roaring Lion

The security events of recent years continue to affect the citizens of the State of Israel, including at present. Among the various impacts of the ongoing conflict, these events raise issues and challenges for customers of the banking system customers, alongside the need to maintain operational continuity and enhanced risk management.

On Saturday, February 28, 2026, Israel and the United States launched a military operation against Iran, following Iranian threats and months of heightened tension. As a result, a state of emergency on the home front was declared. The Home Front Command also updated its defense policy.

As noted in my previous letters¹, the banking system is a vital component of the Israeli economy and public life, and therefore we must ensure that it continues to function and provide essential services, as well as support its customers in facing the difficulties and challenges of this period. This must be done with heightened sensitivity toward customers affected physically, emotionally, or financially across the country — including those evacuated from their homes, reservists, business owners suffering losses, and citizens whose return to Israel is delayed for an indefinite period — while maintaining proper risk management.

I commend those institutions within the banking system that have promptly taken steps to assist their customers in light of the situation and continue to provide uninterrupted service through various channels. I encourage the banking system to continue adopting a proactive and sensitive approach in identifying emerging difficulties, finding solutions, and offering relief measures to customers in distress, wherever possible. This should be done alongside the continuation of existing relief programs, such as the financial relief

¹ Following the events of October 7, a Supervisor of Banks letter was published on October 12, 2023, titled Supervisory Highlights for the Banking System Following the Swords of Iron War, outlining messages and expectations in light of the severe events that struck Israel at that time. Another letter was published on June 17, 2023, following Operation Rising Lion, further emphasizing supervisory guidelines for emergency situations.

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framework of April 1, 2025, which remains in effect. In addition, following recent events, the Bank of Israel is formulating a dedicated assistance framework for the current operation, which will include liquidity relief and other support measures focused on affected customers.

Pursuant to the above, I note several issue that the banking system must emphasize in its activity.

1. Availability and Continuity of Banking Services

Banking corporations must maintain service availability and continuity for customers as much as possible, in accordance with Home Front Command guidelines and current constraints, and create suitable alternatives where direct service cannot be provided, in accordance with customers' needs and characteristics.

Updated information regarding available services, open branch locations, operating hours, and call center details — including emergency hotlines — must be published across multiple channels. Special emphasis should be placed on providing accessible service to customers whose return to Israel is delayed.

Information should be made easily accessible and prominently displayed on all relevant platforms — dedicated website pages, mobile applications, SMS notifications, and call centers.

Alongside service continuity, the welfare and safety of banking employees must be safeguarded. I extend my appreciation to all essential service providers during this period.

2. Handling, Assistance, and Response to Customer Enquiries Related to the Operation

The banking system is expected to act with sensitivity, caution, responsibility, and transparency when dealing with customers affected by the events or evacuated from their homes. Each case should be reviewed to determine how assistance and relief can be provided, exercising sound judgment according to the circumstances.

3. Assistance to Customers Whose Return to Israel Is Delayed

Banks are expected to act with understanding toward customers unable to return from abroad due to the situation and to take supportive measures as needed. This may

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include increasing credit limits, reducing foreign currency transaction costs, and assisting with operational difficulties in accessing services.

4. Relief and Support for Customers in Meeting Financial Obligations

In addition to the financial relief framework effective since April 1, 2025, and the dedicated assistance plan currently being developed for this operation, the banking system is expected to continue promoting initiatives aimed at easing the burden on customers — particularly those affected, evacuated, serving in reserve duty, and their families, as well as small businesses that have closed or are operating in a limited capacity.

Banks are expected to help customers meet payment obligations and other commitments, including to third parties.

Within this framework, banks should positively consider granting relief measures, including:

- a. Freezing collection procedures during this period.
- b. Waiving fees where appropriate.
- c. Allowing early withdrawal of deposits while minimizing associated costs.

5. Checks

In addition to the mechanism outlined in Section 7A of the Checks Without Cover Law, 5741-1981, which requires banks to warn customers of potential nonpayment and grant time to cover the shortfall, banks are expected to act proactively and sensitively to help customers avoid situations of insufficient funds during the check clearing period.

We are also monitoring check clearing and returned check data and continuously assessing the possibility of recommending measures, in accordance with the law, to ease the burden on customers who have encountered unforeseen crises — striving to balance the prevention of customer deterioration with the need to protect payees and the integrity of the check system.

6. Branch Operations During Emergencies

The Banking Supervision Department has instructed the banking system to open at least the core branches — 25 percent of total branches, with appropriate geographic distribution. Banks unable to meet this requirement must report gaps to the Supervisor of Banks.

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The list of open branches and active ATMs must be published through the media channels specified in Section 1 above.

7. Distribution of Allowances

The banking system must prepare solutions for the general public arriving at branches to withdraw allowances on designated payment days and offer alternatives for cash withdrawals, considering that some branches are closed or operating in limited capacity. Banks should utilize all available means, including mobile branches located in protected areas, to serve their customers.

8. Telephone Service for Customers

The Banking Supervision Department recognizes the importance of providing telephone and other remote services to customers, especially at this time, while acknowledging the operational challenges.

Nevertheless, supervisory expectations are that banks will make every effort to provide the best possible service under current conditions.

Each banking corporation that has not yet done so should consider establishing a dedicated emergency hotline or routing system to prioritize urgent cases related to the situation.

9. Cybersecurity and Customer Fraud

Banks must prepare for an increase in cyberattacks and fraud attempts.

As part of this preparedness, institutions should heighten alertness and organizational readiness, ensuring continuity, backup, and redundancy of control and defense systems to prevent incidents, enable early detection, and ensure rapid cross-organizational response.

Given the expected rise in customer fraud attempts, the banking system must increase employee awareness across all service channels and raise customer awareness through proactive alerts and warnings.

In addition, continuous monitoring of unusual or anomalous activity in customer accounts and payment instruments must be ensured.

10. Risk Management Assessment

The banking system must intensify monitoring of all risk types — including operational, capital, liquidity, and credit risks — and adjust policies and models to more severe stress scenarios, reviewing liquidity adequacy.

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Institutions should reassess the adequacy of their risk management tools and strengthen control, management, examination, and oversight mechanisms across all major activity areas.

11. Emergency Reporting

The Banking Supervision Department will activate, as necessary, special reporting requirements to help analyze the situation, make informed decisions, and respond to public enquiries.

12. Board Discussions

In light of the complex security situation, you are requested to adapt internal forums and board discussions to the current circumstances, including management and board-level deliberations on the required preparedness framework, addressing the issues outlined above.

Sincerely,

Daniel Hahiashvili
Supervisor of Banks

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