

Table 1.23
Fees and other income, and operating expenses, the five banking groups, 2012 to 2014

	Amounts			Distribution			Changes compared with previous year	
	2012	2013	2014	2012	2013	2014	2013	2014
	(NIS million, at current prices)			(Percent)			(Percent)	
1 Fees and other income								
Income from banking services								
Account management fees	3,061	2,994	2,954	20.0	19.3	19.3	-2.2	-1.3
Credit cards	3,617	3,689	3,808	23.6	23.8	24.9	2.0	3.2
Credit services and contracts	1,286	1,224	582	8.4	7.9	3.8	-4.8	-52.5
Foreign trade activity and special services	403	383	392	2.6	2.5	2.6	-5.0	2.4
Other fees ^a	1,478	1,485	1,529	9.6	9.6	10.0	0.5	3.0
Total income from services	9,845	9,775	9,265	64.2	63.1	60.6	-0.7	-5.2
Income from capital market activity								
From securities activity	2,720	2,677	2,888	17.7	17.3	18.9	-1.6	7.9
Financial products ^b distribution fees	723	779	893	4.7	5.0	5.8	7.8	14.6
Management, operational and trust fees for institutional investors	248	250	238	1.6	1.6	1.6	0.8	-4.8
Profits from severance pay funds	288	310	174	1.9	2.0	1.1	7.6	-43.9
Total income from capital market activity	3,979	4,016	4,193	26.0	25.9	27.4	0.9	4.4
Fees from financing transactions	1,267	1,402	1,446	8.3	9.1	9.5	10.7	3.1
Other income^c	241	292	393	1.6	1.9	2.6	21.2	34.6
Total fees and other income	15,332	15,485	15,297	100.0	100.0	100.0	1.0	-1.2
2 Operating expenses								
Salaries and related expenses ^d	17,261	17,758	17,871	58.7	59.7	58.2	2.9	0.6
<i>Of which:</i> Salaries	10,872	11,296	10,868	36.9	38.0	35.4	3.9	-3.8
Maintenance and depreciation of premises and equipment	5,770	5,745	5,678	19.6	19.3	18.5	-0.4	-1.2
Amortization and write-down of intangible assets and goodwill	190	245	209	0.7	0.8	0.7	29.0	-14.7
Other expenses	6,211	5,993	6,974	21.1	20.2	22.7	-3.5	16.4
<i>Of which:</i> Marketing and advertising	969	922	914	3.3	3.1	3.0	-4.9	-0.9
Computer expenses	900	882	889	3.1	3.0	2.9	-2.0	0.8
Communications	645	642	630	2.2	2.2	2.1	-0.5	-1.9
Insurance	116	116	115	0.4	0.4	0.4	0.0	-0.9
Office expenses	326	301	302	1.1	1.0	1.0	-7.7	0.3
Professional services	827	764	805	2.8	2.6	2.6	-7.6	5.4
Total operating expenses	29,432	29,741	30,732	100.0	100.0	100.0	1.1	3.3

^a Includes mainly margin and collection fees on credit from the Finance Ministry, conversion and other differentials.

^b As part of the Bachar Reform, the banks began to charge a "distribution fee". The ceiling on the distribution fee with respect to mutual funds amounts to 0.25 percent of assets in funds that invest mainly in low risk short-term investments, 0.80 percent of assets in equity funds, and 0.40 percent of assets in other funds. The ceiling with respect to provident funds and pension funds amounts to 0.25 percent of the assets in a fund.

^c Includes profit from the realization of assets received in respect of the discharge of credit, management fees from related companies and other income.

^d Includes payroll tax, severance pay, royalties, pension and national insurance.

SOURCE: Based on published financial statements.