

**Table 1.20**  
**Fees and other income, and operating expenses, the five major banking groups, 2011 to 2013**

	Amounts			Distribution			Changes compared with previous year	
	2011	2012	2013	2011	2012	2013	2012	2013
	(NIS million, at current prices)			(Percent)			(Percent)	
<b>1 Fees and other income</b>								
<b>Income from banking services</b>								
Account management fees	3,038	3,072	3,005	20.0	20.0	19.4	1.1	-2.2
Credit cards	3,568	3,617	3,689	23.5	23.6	23.8	1.4	2.0
Credit services and contracts	1,224	1,290	1,230	8.1	8.4	7.9	5.4	-4.7
Foreign trade activity and special services	383	392	372	2.5	2.6	2.4	2.4	-5.1
Other fees <sup>a</sup>	1,486	1,478	1,485	9.8	9.6	9.6	-0.5	0.5
Total income from services	9,699	9,849	9,781	63.9	64.2	63.2	1.6	-0.7
<b>Income from capital market activity</b>								
From securities activity	2,874	2,720	2,677	18.9	17.7	17.3	-5.4	-1.6
Financial products <sup>b</sup> distribution fees	749	723	779	4.9	4.7	5.0	-3.5	7.8
Management, operational and trust fees for institutional investors	296	248	250	2.0	1.6	1.6	-16.2	0.8
Profits from severance pay funds	39	288	310	0.3	1.9	2.0	-	7.6
Total income from capital market activity	3,958	3,979	4,016	26.1	26.0	25.9	0.5	0.9
<b>Fees from financing transactions</b>	1,187	1,263	1,396	7.8	8.2	9.0	6.4	10.5
<b>Other income<sup>c</sup></b>	340	241	292	2.2	1.6	1.9	-29.1	21.2
<b>Total income from operating fees</b>	<b>15,184</b>	<b>15,332</b>	<b>15,485</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>1.0</b>	<b>1.0</b>
<b>2 Operating expenses</b>								
Salaries and related expenses <sup>d</sup>	16,531	17,080	17,626	59.0	58.2	59.4	3.3	3.2
Of which: Salaries	10,717	10,725	11,172	38.2	36.6	37.6	0.1	4.2
Maintenance and depreciation of premises and equipment	5,499	5,827	5,810	19.6	19.9	19.6	6.0	-0.3
Amortization and write-down of intangible assets and goodwill	193	210	269	0.7	0.7	0.9	8.8	28.1
Other expenses	5,811	6,211	5,993	20.7	21.2	20.2	6.9	-3.5
Of which: Marketing and advertising	964	969	922	3.4	3.3	3.1	0.5	-4.9
Computer expenses	846	900	882	3.0	3.1	3.0	6.4	-2.0
Communications	638	645	642	2.3	2.2	2.2	1.1	-0.5
Insurance	127	116	116	0.5	0.4	0.4	-8.7	0.0
Office expenses	333	326	301	1.2	1.1	1.0	-2.1	-7.7
Professional services	881	827	764	3.1	2.8	2.6	-6.1	-7.6
<b>Total operating expenses</b>	<b>28,034</b>	<b>29,328</b>	<b>29,698</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>4.6</b>	<b>1.3</b>

<sup>a</sup> Includes mainly margin and collection fees on credit from the Finance Ministry, conversion and other differentials.

<sup>b</sup> 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.

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

<sup>d</sup> Includes payroll tax, severance pay, royalties, pension and national insurance.

**SOURCE: Banking Supervision Department based on published financial statements.**