

Table 1.6
Fees and other income, and operating expenses^a, the five banking groups, 2016–18

	Amounts			Distribution			Changes compared with previous year	
	2016	2017	2018	2016	2017	2018	2017	2018
	(NIS million, at current prices)			(Percent)				
1. Fees and other income								
Income from banking services								
Account management fees	2,739	2,702	2,704	20.5	19.9	20.1	-1.4	0.1
Credit cards	2,612	2,738	2,975	19.5	20.2	22.1	4.8	8.7
Credit services and contracts	633	619	636	4.7	4.6	4.7	-2.2	2.7
Foreign trade activity and special services	387	359	353	2.9	2.6	2.6	-7.2	-1.7
Conversion differentials	1,075	1,079	1,144	8.0	8.0	8.5	0.4	6.0
Net income from credit portfolio services	108	102	96	0.8	0.8	0.7	-5.6	-5.9
Other fees ^b	387	366	358	2.9	2.7	2.7	-5.4	-2.2
Income from capital market activity								
From securities activity	2,394	2,402	2,334	17.9	17.7	17.4	0.3	-2.8
Financial products ^c distribution fees	845	879	928	6.3	6.5	6.9	4.0	5.6
Management, operational and trust fees for institutional investors	216	223	241	1.6	1.6	1.8	3.2	8.1
Total income from capital market activity	3,455	3,504	3,503	25.8	25.8	26.0	1.4	0.0
Fees from financing transactions	1,397	1,325	1,321	10.4	9.8	9.8	-5.2	-0.3
Other income^d	595	777	358	4.4	5.7	2.7	30.6	-53.9
Total fees and other income	13,388	13,571	13,448	100.0	100.0	100.0	1.4	-0.9
2. Operating expenses								
Salaries and related expenses ^e	15,802	15,854	16,129	55.6	55.7	52.6	0.3	1.7
<i>Of which:</i> Salaries	10,793	10,711	10,930	38.0	37.7	35.7	-0.8	2.0
Maintenance and depreciation of premises and equipment	5,270	5,177	5,107	18.6	18.2	16.7	-1.8	-1.4
Amortization and write-down of intangible assets and goodwill	116	94	91	0.4	0.3	0.3	-19.0	-3.2
Other expenses	7,221	7,323	9,321	25.4	25.7	30.4	1.4	27.3
<i>Of which:</i> Marketing and advertising	765	715	829	2.7	2.5	2.7	-6.5	15.9
Computer expenses	878	902	1,000	3.1	3.2	3.3	2.7	10.9
Communications	622	612	587	2.2	2.2	1.9	-1.6	-4.1
Insurance	82	90	73	0.3	0.3	0.2	9.8	-18.9
Office expenses	188	181	169	0.7	0.6	0.6	-3.7	-6.6
Professional services	1,016	949	1,447	3.6	3.3	4.7	-6.6	52.5
Total operating expenses	28,409	28,448	30,648	100.0	100.0	100.0	0.1	7.7

^a Excluding Isracard data.

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

^c Within the framework of the Bachar reform, the banks began to charge a distribution fee. The distribution fee ceiling with regard to mutual funds is currently 0.2 percent of the assets in funds that focus on investments in government or low-risk bonds (Type 1 fund), 0.1 percent of assets in money market funds (Type 4 fund), and 0.35 percent of assets in other funds (Type 3 funds). The fee ceiling for provident funds and pension funds is 0.25 percent of assets in the fund.

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

^e Includes payroll tax, severance pay, benefits, pension and national insurance.

SOURCE: Based on published financial statements.