

BANK OF ISRAEL

Office of the Spokesperson and Economic Information

Press release

February 8, 2023

**Supervisor of Banks Yair Avidan announces that he will step down from his position at the end of a three-year term**

Supervisor of Banks Yair Avidan has asked the Governor of the Bank of Israel to be relieved of his position in June 2023, following three years in the position. Bank of Israel Governor Prof. Amir Yaron accepted the Supervisor’s request, and has established a search committee to appoint a new Supervisor of Banks. The Committee will be led by Deputy Governor Andrew Abir.

Yair Avidan began his term in May 2020, at the height of the COVID-19 pandemic, and helped the banking system and the Israeli economy overcome the many difficulties involved during a period of global pandemic. At the beginning of his term, Avidan set a number of central goals for the Banking Supervision Department. These included maintaining stability and protecting depositors’ money; instituting a culture of fairness, inclusiveness, and influence toward the customer; entrenching a competitive and advanced financial system to benefit customers; and adapting the Banking Supervision’s work to the changing financial and technological environment.

During his term, these goals were implemented through a large number of measures and actions. These included guiding the establishment of a new digital bank and issuing a license for an additional digital bank, with the aim of enhancing competition in the banking system; guiding the establishment of a computer services bureau that reduces entry barriers to the banking industry; completing and activating the one-click banking mobility system that enables easy transfers for customers wishing to move to a different bank, and strengthens customers’ competitive power with the banks; removing barriers to the use of cloud systems that will enable the banking system to operate more efficiently, flexibly, and innovatively; realization of the open banking reform that enables information sharing with other parties and leverages information that belongs to the customer for the customer’s benefit; publication for the first time of the average interest rates collected on credit and paid for deposits at the bank level, with the aim of increasing customers’ comparison ability and bargaining power; a mortgage reform that simplifies the product and enables transparency for customers, as well as better comparison abilities; advancing the banking system’s preparedness for dealing with climate and environmental risks; and continuing to strengthen and improve cyber protections and the envelope supporting this activity.

Avidan also placed special emphasis on improving fairness in bank-customer relations, partly though directives that define how banks should behave when providing service; increase consumer-related control and enforcement activities, including the imposition of sanctions on the system; freezing current account fees; formulating a methodology to measure fairness at banking corporations; and a variety of other measures intended to embed a culture of fairness, inclusiveness, and influence in the banking system.

Supervisor of Banks Yair Avidan said, “I thank the Governor, Prof. Amir Yaron, for the great honor he gave me to lead the Banking Supervision Department in recent years. I would like to express my great esteem to the dedicated employees and managers of the Banking Supervision Department and of the Bank of Israel, for their professional and intensive work done out of a true sense of mission for the benefit of the public and the economy. I will soon be completing three years of highly intensive work accompanied by many diverse challenges, alongside great satisfaction from how much we accomplished. The Banking Supervision Department has led a process of significant change in the banking system, benefitting customers and the economy, and I have no doubt that this change will continue to intensify in the future. I took on the position of Supervisor of Banks after having already retired, with a sense of mission and a desire to devote a few years to significant public and social efforts, which I will conclude in a few months.”

Bank of Israel Governor Prof. Amir Yaron said, “I thank Yair for our joint and productive work. Yair took on the position at the height of a very challenging period for the economy and for the entire country. Following a long and distinguished career in the private sector, we called upon Yair and he answered the call. During our time working together, Yair led and put into action a very long series of reforms, and we made quite a few changes and improvements to the banking and financial systems. With all my heart I wish Yair success in his continued endeavors, and I am certain that the Banking Supervision Department, with its experienced professional employees, will continue to lead the important banking and financial fields with which it is entrusted.”