



Bank of Israel
Currency Department

Annual Report 2013

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TABLE OF CONTENTS

Letter from the Director of the Currency Department	5
A. Definitions.....	9
B. The Currency Department's functions.....	9
<i>Box 1: The new series of banknotes.....</i>	12
<i>Box 2: Cash handling policy.....</i>	16
<i>Box 3: Technological improvements in the cash handling system.....</i>	20
C. Currency in circulation	21
1. Circulation.....	21
<i>Box 4: The use of cash and alternative means of payment.....</i>	24
<i>Box 5: Automated teller machines.....</i>	29
2. Banknotes in circulation.....	
3. Coins in circulation.....	36
D. Changes to banknotes and coins in circulation.....	40
E. Counterfeit banknotes and coins.....	40
1. Anti-counterfeit measures and tracing counterfeit money.....	40
2. How to identify an authentic banknote.....	43
<i>Box 6: Guidelines on the use of photocopies and replicas of banknotes and coins.....</i>	44
<i>Box 7: Bank of Israel rules regarding damaged currency.....</i>	45
<i>Box 8: Defaced currency.....</i>	49
F. Commemorative coins.....	49
G. Public Committee for the Planning of Banknotes, Coins and Commemorative Coins.....	58
1. Composition of the Committee	57
2. The Committee's activity in 2013.....	58
Appendix: Statistical tables.....	59

Introduction

The Bank of Israel Currency Department operates under the authorities established in the Bank of Israel Law related to issuing banknotes, coins, and commemorative coins, and regulating the currency system. The Department is in charge of policy, planning and control over the currency system in Israel, and it includes an Issue Unit and a Cash Management Unit. The Currency Department is thus responsible for the country's cash, from the stage of planning the alignment of quantities of cash with forecast demand, through the design and issue of banknotes, coins, and commemorative coins, to the regulation of the cash system's operation.

The Department's activity includes counting millions of banknotes and coins annually, using advanced technology; sorting them; storing them in vaults for routine and emergency needs; and distributing them to the banking system for use by the public. The activity also includes integrating security features into the banknotes, formulating criteria for and control over cash quality; providing training for and supervision of the banking corporations' cash centers; and actions in collaboration with the Israel Police and other entities to prevent counterfeiting.

In 2013, other activities augmented the day to day operations of the Currency Department. It continued preparations ahead of the issue of the new banknote series, and the first banknote in the new series, the NIS 50 denomination, was put into circulation on September 16, 2014—21 Elul 5774. The entry of a new banknote into circulation is a change that requires preparation and acclimation. The Currency Department invites the public to learn about the new banknote and the security features integrated into it, through the explanatory brochures in a variety of languages, on the website—www.newbanknotes.org.il—or through the mobile application. In parallel with activities regarding the new series, the Department continued to improve its emergency preparedness and to integrate automation and improved technologies into its work processes. This is an initiative that is intended to improve service to the public and to make the work processes more efficient, while increasing control and reducing risks.

In addition, the Department contributed to the Locker Committee discussions. In 2013, the Prime Minister appointed a joint committee—headed by the Director General of the Prime Minister's Office, Harel Locker—with the objective of examining the possibility of reducing the amount of unreported capital and money laundering through limiting and reducing the use of cash and other means of payment. In May 2014, the Committee published an Interim Report, which included a recommendation to limit the use of cash in transactions, as some other countries do. The Currency Department participated in the discussions related to its areas of responsibility, and is planning for the ramifications that the implementation of the recommendations is expected to have on its activities, including a reduction in demand for cash. At the same time, the Currency Department is following the development of advanced means of payment and their possible effect

on trends in use of cash. To that end, it relies on the relevant experience that has been accumulated worldwide to date, and which shows that in most countries, cash continues to fill a central role in the payments system, alongside advanced means of payment.

In the year reviewed, a commemorative coin issued by the Bank of Israel received a special prize at the tenth annual Vicenza Numismatica International Competition¹ and was chosen as the “Most Beautiful Architectural Representation on a Coin Minted in 2012”. The NIS 2 silver proof coin was dedicated to the waterworks at Tel Megiddo.

This survey includes comprehensive information on the Department’s activities over the past year. The Bank of Israel attaches great importance to tightening the connection with the public and to increasing awareness of currency issues, both academic—familiarity with the history of currency in Israel, and practical—intelligent consumption, recognition of the banknotes’ security features, and responsible use of banknotes and coins.

Ilan Steiner
Director of the Currency Department



¹ This annual competition takes place in the city of Vicenza, Italy, as part of a fair which specializes in banknote, coin and commemorative coin collecting.

A. DEFINITIONS

Currency in circulation: Currency held by the public and stocked by the commercial banks.

Banknotes / coins in circulation: The banknotes / coins held by the public and stocked by the commercial banks.

M1—means of payment in the economy: The total cash (banknotes and coins) held by the public, plus current accounts at the commercial banks.

Demand: The change in the number of banknotes and coins in circulation resulting from the difference between withdrawals and deposits of banknotes and coins from the Bank of Israel.

Wear and tear: The number of worn banknotes taken out of circulation when the Bank of Israel counts and sorts deposited banknotes. (There is almost no wear and tear of coins.)

Consumption of banknotes or coins: Demand plus wear and tear.

Average denomination of banknotes / coins in circulation: The weighted average of all denominations of banknotes / coins in circulation.

Cash centers: Cash handling centers of the commercial banks and of Israel Post, which have been recognized by the Bank of Israel. These are the only entities authorized to withdraw or deposit cash at the Bank of Israel.

B. THE CURRENCY DEPARTMENT'S FUNCTIONS

The Bank of Israel is granted the sole authority by law to issue currency in Israel (banknotes, coins, commemorative coins and special coins). The law establishes that the Bank of Israel shall issue currency and shall regulate and guide the currency system, with the aim of ensuring that the economy has a proper supply of money in line with supply and demand surpluses. There are tasks and activities implicit in this role in three areas:

1. The issue of banknotes, coins, and commemorative coins

Designing banknotes and coins: The Governor of the Bank of Israel, subject to the approval of the Bank of Israel's Supervisory Council and the government, determines

the form of the banknotes, coins and commemorative coins. The Governor is assisted by the Committee for Planning Banknotes, Coins and Commemorative Coins—a public committee appointed by the Governor that selects which design proposals will be submitted to the Governor. The Committee is currently chaired by retired Supreme Court Justice Jacob Turkel.

Printing banknotes and minting coins: The Currency Department orders inventory from the suppliers of coins and banknotes in accordance with projected demand and taking into account savings in the expenses inherent in maintaining inventory and in every order.

Issuing commemorative coins: Since the Bank of Israel is the sole issuer of legal tender in Israel, it also issues commemorative coins and coins in honor of special events each year. These coins are made of silver or gold, and the Israel Coins and Medals Corporation Ltd.—also by law—markets them to the public and to collectors in Israel and around the world.

2. Planning and managing the currency supply

Ensuring sufficient inventory to cover demand for currency during routine times and emergencies: In order to ensure that the inventory of cash is sufficient to cover projected demand at all times, while taking into account the costs inherent in holding inventory, the Currency Department manages the inventory of banknotes and coins by means of an inventory model developed especially for this purpose.

3. Cash management

The supply of cash in circulation: The Bank of Israel provides the public with cash through the cash centers owned by the commercial banks and Israel Post. These entities regulate the surplus supply and demand of banknotes and coins among themselves and between them and their customers, and withdraw from the Bank of Israel only the surplus demand. The surpluses are derived from the withdrawals and deposits of the public at the branches of these entities.

Overseeing the quality of currency in circulation: The Bank of Israel sets standards for the commercial banks in terms of maintaining the quality of the money in circulation. In accordance with these standards, the banknotes and coins deposited by the public at the cash centers are counted and sorted, during which the authenticity and quality of the money are inspected by designated counting machines purchased by the cash centers and approved by the Bank of Israel. The cash centers deposit low quality banknotes and

coins with the Bank of Israel, where the banknotes are shredded and the coins are sent to be melted down.

Storage of the cash inventory: The Currency Department stores banknotes and coins in the Bank of Israel's safes, under guard and control, according to strict shipment, protection, storage and control procedures.

4. Other activities carried out by the Currency Department

Prevention of counterfeiting: According to the law, only the Israel Police is tasked with the struggle against counterfeiting of currency and with enforcement in this area.

The Currency Department acts to uncover counterfeit cash and to prevent its distribution. This is done by tracking the characteristics of counterfeiting that exist in the market, examining them and distributing information to entities dealing with cash; upgrading the security features embedded in banknotes; increasing public awareness—through advertising and training sessions—about the use of the security features; and through cooperation with the police, the commercial banks and the international organizations leading the struggle against counterfeiting.

The commercial banks are required to examine the authenticity of banknotes and coins before returning them to circulation through tellers and cash dispensing machines (ATMs).

Responding to public enquiries: The Currency Department receives many varied enquiries from the public, indicating that the public is involved and interested in the field of cash. This is reflected in requests for information, reactions to the issue of new banknotes and coins, suggestions regarding the currency, and awareness of the details appearing on the banknotes and coins.

Enquiries regarding currency can be sent to: contact_currency@boi.org.il

The Currency Department's website <http://boi.org.il/en/currency> includes information in Hebrew and English.

Service to the public: The Currency Department provides the public with cash exchange services for larger or smaller denominations, and with replacement of impaired banknotes and coins. These services are provided at the Bank of Israel's cashier in Jerusalem, Sunday to Thursday from 8:00 am to 1:00 pm. (Updates regarding public reception hours are published on the Currency Department's website.) The cashier's phone number is 02-655-2847.

Box 1: The new series of banknotes

The Israeli government approved the Bank of Israel's decision to issue a new series of banknotes—Series C—for the State of Israel. This series will replace the current Series B, which has been in circulation since 1999.

While the Bank of Israel succeeded in keeping the level of counterfeiting low in the 15 years that have elapsed since then due to the ability to integrate advanced security features into the banknotes, technological developments in the area of banknotes, increased levels of counterfeiting worldwide, and the technology available today to counterfeiters, necessitate that the Bank make changes to the banknotes in advance for the years ahead.

The new banknotes feature an advanced standard of security, innovation, and accessibility. The new banknotes will differ from each other in color and length, and they incorporate a range of leading edge anti-counterfeiting security features. These features are created through various technologies, are common to all the banknotes in the series, and can be seen, felt by passing a finger over them, or viewed when the banknote is tilted. In addition, the new banknotes include special features to aid the blind and vision impaired in better distinguishing between banknotes of different denominations than was previously possible.

The first banknote in the new series—NIS 50—was put into circulation in September 2014. It is green, and bears the likeness of the poet Shaul Tchernichovsky.

As the new banknote entered circulation, the Bank of Israel implemented a public information campaign in the five most common languages in Israel in order to help the public get to know the new banknote and the security features embedded in it. Some of the prominent security features of the new banknote are included below:



The new NIS 50 banknote: prominent security features

Transparent portrait – A watermark resembling the likeness on the banknote, accompanied by the denomination. If the banknote is held against the light, the portrait and the denomination can be seen in it. The feature is visible from both sides of the banknote.



Window strip – A security strip in a shade of grain inlaid into the substrate of the banknote and visible in three windows on the reverse side. If the banknote is held to the light, the likeness and denomination are clearly visible in the windows. If the banknote is tilted, the strip changes color.



Reflective strip – a transparent and reflective strip inlaid across the width of the banknote, alongside the portrait. If the banknote is tilted in different directions, a Menorah symbol and the denomination alternately appear and disappear on the strip.



Accessibility for the blind and vision impaired

The Bank of Israel attributes great importance to accessibility, and this has been a prominent focus throughout the planning of the new series of banknotes. Therefore, the Bank has integrated many features to improve accessibility for the blind and vision impaired in the new banknotes, including:

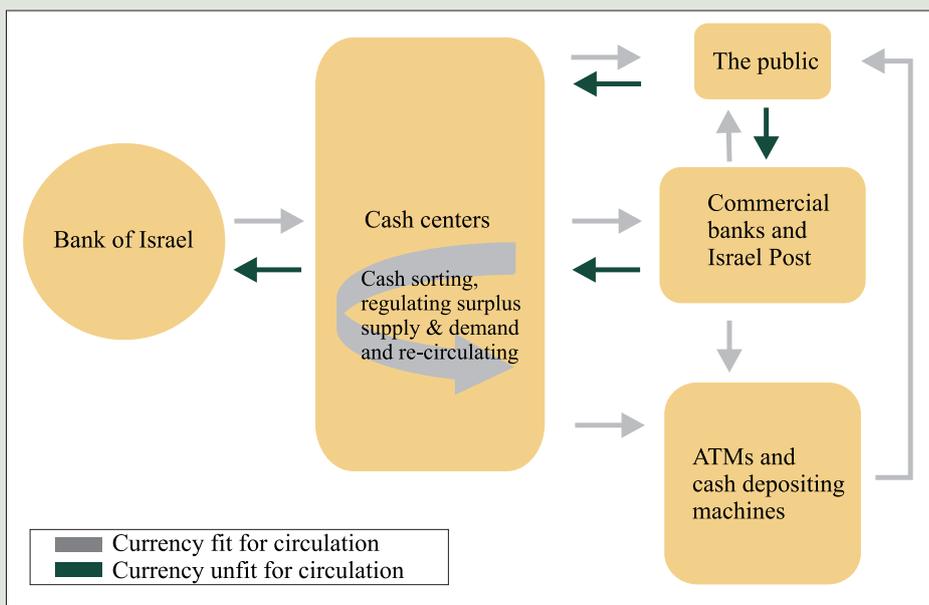
- The new banknotes differ from each other in length, with a 7 mm difference between each denomination.
- Each banknote has one overarching color.
- The colors of the banknotes are divided into “warm” and “cool”.
- The banknotes carry identification features that are unique to each denomination, which are printed in particularly prominent ink and can be felt by passing a finger over them.
- The denomination appears on the banknotes a number of times and with varying degrees of contrast (dark printing on light background and vice-versa).
- The denomination is printed in 20 mm high characters—a particularly large font compared both to the previous series and to banknotes in other countries.

More information is available on the Bank of Israel’s website at www.newbanknotes.org.il, or by phone at 1-800-300-018.

Box 2: Cash handling policy

In 2009, the Bank of Israel changed the cash handling policy in Israel and implemented a policy formulated on the basis of the principles generally accepted in other advanced economies. The policy is intended to maintain a high quality of the cash in circulation, to reduce the cash handling costs for the Bank of Israel and the economy as a whole, and to raise the level of service provided by the Bank of Israel and the banking corporations to customers. Implementation of the new policy for banknotes began on October 1, 2009, and for coins it began on May 1, 2011.

Within the framework of this policy, the banking corporations and Israel Post established cash centers, some of which are self-operated and some of which are operated via an outsourced contractor. The cash centers regulate the surplus supply and demand of the banknotes and coins among themselves and between them and their customers, withdraw only surplus demand from the Bank of Israel, and deposit low quality cash with the Bank of Israel. The Bank of Israel approves and supervises the cash centers as the only entities permitted to withdraw money from the Bank of Israel or to deposit money with it.¹ By the end of 2013, 13 cash centers owned by the banking corporations had been established in Israel.



¹ Excluding change services that the Bank of Israel provides to the public pursuant to the law.

Since the implementation of the cash handling policy, the Currency Department has made several changes to it. In 2013, the Currency Department applied quality standards to the cash centers' operation, emphasizing the proper and precise counting of banknotes, and clearly defined the responsibility of the commercial banks for the counting and sorting machines at the cash centers and for the controls and inspections required for their operation. In addition, the Currency Department formulated principles for evaluating scenarios for cash withdrawals during emergencies.

Based on the new Bank of Israel Law, the Currency Department is currently acting to publish rules for the proper operation of the currency system, based on the new policy.

Those responsible for machines in the cash centers

Pursuant to the policy principles outlined by the Bank, the commercial banks and Israel Post must count and sort the banknotes before they are distributed to the public. The banknotes are sorted and counted using sorting and counting machines approved in advance by the Bank of Israel. (A list of approved machines (in Hebrew) is published on the Bank of Israel's website at <http://www.boi.org.il/en/currency/publicenquiries>.) These counting and sorting machines test both the quality and the authenticity of the banknotes.

The Bank of Israel has established a quality standard for banknotes, which defines the difference between "fit" banknotes designated for re-use and "unfit" banknotes that are not for re-use. The purpose of the standard is to ensure that the banknotes held by the public will always be fit, and to enforce uniformity in the definition of quality that applies to banknotes put back into circulation by the cash centers. In order to enhance professionalism in the cash centers, the Bank of Israel and the cash centers have appointed employees at the cash centers responsible for the machines. It is the job of these employees to verify that the machines are operating according to standard.

Banknote counting and sorting machine



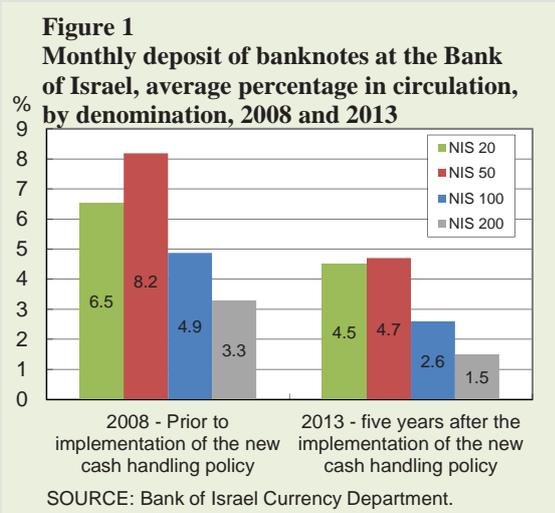
The reports provided by the commercial banks and the cash centers to the Currency Department

The commercial banks and cash centers provide regular reports to the Currency Department, containing data relating to cash—information on cash balances and transactions at the cash centers, on ATM activity, and on the discovery of counterfeiting and other anomalous incidents. The reports on anomalies and counterfeiting are sent by the Currency Department to the Israel Police, which bears sole responsibility—by law—for handling counterfeits.

The effect of the cash handling policy on streamlining the handling of cash in the economy

In accordance with the cash handling policy, as mentioned, the commercial banks regulate the surplus supply and demand of banknotes among themselves and between them and their customers. They therefore withdraw only their surplus demand from the Bank of Israel, and deposit only cash the quality of which is unfit for continued circulation according to the standard.

As a result of the fact that the cash centers are now carrying out the sorting and regulation work, there has been a significant reduction in the quantity of deposits with the Bank of Israel. The interbank regulation of surplus cash has therefore directly led to the streamlining of the handling of all cash in the economy.



Box 3: Technological improvements in the cash handling system

The Currency Department is constantly active in improving and streamlining the work processes, controls and safety in the Cash Management Unit. In 2013, the Department completed an automation project for the chief cashier system of the cash centers at the Bank of Israel in Jerusalem, and as a result, the deposit and withdrawal of banknotes are no longer done manually, but rather through the automatic system.

The new chief cashier system has the capability of controlling and documenting activity during the course of a transaction, and also has the ability to sort the deposits of banknotes at the Bank of Israel by the state of the banknotes as reported by the cash center of the depositing bank. These capabilities are based on various components, including barcode readers, video and still cameras, a vacuum apparatus for lifting crates, a conveyor system, and a scale for control. The system is automatically interfaced with the Bank of Israel's cash handling information system and does not involve human contact.

The automation program also included the integration of automatic processes at the counting and sorting site. Two machines were purchased to control the weight of each package of fit banknotes sorted and packed by the counting and sorting machine.

The specification and implementation of the system placed great emphasis on human engineering considerations. The system aroused tremendous interest around the world—at central banks and other bodies dealing in the field—and was even presented at the international Banknote Conference that took place in Washington in 2014.



C. CURRENCY IN CIRCULATION

1. Circulation

Currency in circulation at the end of 2013 totaled NIS 58 billion, compared with NIS 55 billion at the end of 2012, representing an increase of 5 percent. Average growth in circulation during the past ten years has been 10 percent, with the exception of 2008 and 2009—the peak years of the global economic crisis. Growth in real terms was 3 percent in 2013, and 10 percent in 2012.

Table 1: Currency in circulation, end of year

Year	Composition of circulation (NIS billion)			Rate of growth (percent)		
	Banknotes	Coins	Total currency in circulation	Banknotes	Coins	Total currency in circulation
2006	24.4	1.1	25.5	4%	9%	5%
2007	27.7	1.2	28.9	14%	7%	13%
2008	33.1	1.3	34.4	19%	6%	19%
2009	40.1	1.4	41.5	21%	7%	21%
2010	43.4	1.5	44.8	8%	6%	8%
2011	47.4	1.6	49.0	9%	7%	9%
2012	53.1	1.7	54.8	12%	6%	12%
2013	55.7	1.8	57.5	5%	9%	5%

The main reason for the slowdown in growth of circulation in 2013 concerns developments in the Palestinian Authority. It should be noted that the Israeli currency also serves as a means of payment in the Palestinian Authority (PA), and there was significant growth in the volume of PA deposits with the Bank of Israel in 2013 as a result of an increase in surplus cash in its possession. Excluding these deposits, the growth in circulation was 14 percent.

The circulation of cash includes cash held by the public and cash held in commercial banks' safes. The

Figure 2
Ratio of cash held by public to GDP,
1995–13



SOURCE: Central Bureau of Statistics and Bank of Israel Currency Department.

portion held by the public constituted the majority of circulation in 2013—as it did in previous years—totaling 88 percent.

This portion of circulation constituted 4.8 percent of GDP in 2013. This rate increased particularly in recent years, due, among other things, to the low interest rate that was prevalent, and is lower than the average in the eurozone—9.24 percent in 2012. Among EU member countries, the rate ranges from 2.5 percent in Sweden, where there is broad use of debit cards, to 10.96 percent in Bulgaria.

Table 2: Cash held by the public as a percentage of GDP - comparison with European countries

Country	Percent
Israel, 2013	5.2
Total eurozone	9.2
Bulgaria	11.0
Czech Republic	10.2
Denmark	3.0
Latvia	7.0
Lithuania	9.1
Hungary	9.0
Poland	6.6
Romania	5.4
Sweden	2.5
Sweden	3.6

SOURCE: Israel - Central Bureau of Statistics; European Union countries - European Central Bank, Statistical Data Warehouse.

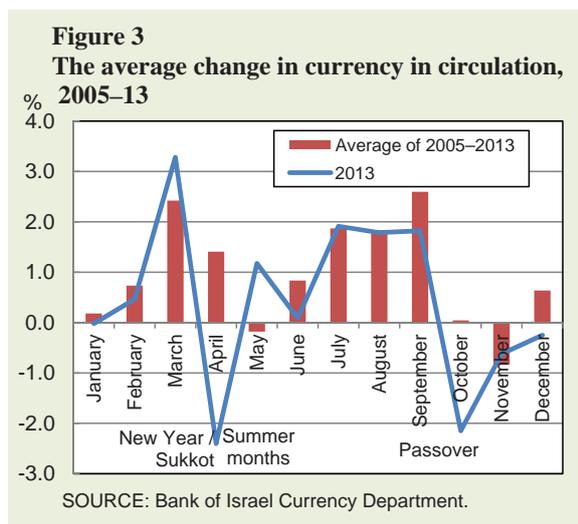
a. Composition of circulation

The proportion of banknotes in total circulation has steadily increased over time, at the expense of the share of coins in circulation. In 2013, banknotes accounted for 97 percent of the total value of cash circulation, while coins accounted for 3 percent. While demand for coins is characterized by a stable growth rate over time, demand for banknotes is influenced by changes in public preferences for holding cash, particularly during crises, and is therefore characterized by higher volatility.

b. Seasonality in currency circulation

There are seasonal influences in the demand for cash, which varies by month. There is higher demand during the holiday seasons—Passover in March/April and Sukkot (Tabernacles) in September/October—and during the summer vacation months of July and August. In 2013, the Passover holiday took place at the end of March, and Sukkot occurred in September. Figure 3 shows that in the following months, there was a decline

in circulation as a result of the deposit of surplus cash that is typical of the periods following the holidays.



Box 4: The use of cash and alternative means of payment

Cash continues to be a main means of payment for several major reasons:

- Cash is a universal means of payment, valid everywhere.
- Cash payment is final and does not depend on a settlement system.
- Cash payment is convenient, fast and inexpensive.
- Cash payment does not depend on technological aids or systems.
- In contrast to electronic means of payment, cash does not require identifying the payer and makes it possible to maintain privacy.
- Compared with electronic means of payment, cash makes it possible to control expenses since it enables the payer to immediately see how much remains.
- Greater sophistication in methods for identifying counterfeiting has made cash payments relatively safe.

In addition to cash, there is currently a wide variety of other means of payment—checks, payment cards (mainly credit cards), electronic direct debits (mainly authorized debits), coupons, and Internet payments.

In recent years, there has been a marked increase in the use of payment cards, due to a number of factors: the issue of nonbank debit cards (generally involving customer clubs); the expanded variety of services provided by companies in the

areas of credit and financing; and the continued growth in the use of cards as a result of the increased supply of electronic commerce.

In Israel, the following types of payment cards exist:

Deferred-debit card (commonly referred to as credit card): This card is directly connected to the customer's bank account and allows the withdrawal of cash from automatic machines, and/or payment for goods and services at businesses, up to the line of credit extended to the customer by the card's issuer. The total amount of the transactions made by the customer is calculated on a monthly basis, and the customer's bank account is debited once a month by this amount. This is the most common type of card in Israel.

Debit card: A means of payment, mainly as an alternative to cash. The customer's account is debited at the time of the transaction, rather than in a concentrated manner once a month. These cards are less common.

Revolving credit card: The cardholder sets the amount of the periodic debit in advance, with the remaining debt deferred—"rolled over"—to the next month and accruing interest. Most cards of this type are issued by credit card companies rather than by banks.

Pre-paid card: The customer pre-loads the card with the maximum debit amount, and every payment is deducted from the card's balance until it reaches zero. Some of these cards enable re-loading, while others are intended for one-time use only.

In 2013, the number of cards increased by 6.8 percent, reaching 8 million, and the number of points of sale increased by 5.7 percent to 123,928 terminals. The volume of transactions on payment cards is also growing, and there is a tendency among businesses to encourage the use of payment cards for micropayment transactions as well. In 2013, transaction volume¹ was NIS 229 billion.

The average value of a credit card transaction in Israel in 2013 was NIS 231, and most transactions (72 percent) were for amounts lower than NIS 200. These data may indicate that these means of payment serve as an alternative to cash for purchases of products and services in the retail market.

In contrast, the amounts of payments by check may indicate that checks are mainly used by the business sector, primarily in paying taxes and large one-time

¹ Payments on cards issued in Israel, excluding cash withdrawals. Payments made in Israel or abroad.

payments. The average value of a transaction by check in 2013 was NIS 6,891. Over the years, there has been a decline in the number of transactions by check.

A nation-wide survey shows that cash is the principal means of payment for amounts ranging from NIS 100 to NIS 200, followed by credit cards, and that checks are rarely used. Additional findings of the survey were published in the Currency Department's Annual Report for 2012.²

In recent years, there have been technological developments that have led to greater possibilities for payment by electronic means. The Currency Department is tracking developments in the area of means of payment as well as the effects of cash use trends, and is assessing the relevant experience gained around the world.

The Committee to Examine Reducing the Use of Cash in Israel's Economy

Pursuant to a government decision from September 17, 2013, an interministerial team led by Prime Minister's Office Director General, Mr. Harel Locker, was established with the objective of reducing black capital in Israel, leading the struggle against money laundering, and expanding the use of advanced and efficient means of payment. The team is known as the "Locker Committee". This step was mainly intended to expand the tax base and to maximize collection potential.

A subcommittee was established at the Bank of Israel, led by the Director of the Accounting, Payment and Settlement Systems Department, with the objective of presenting "a gradual process for reducing the worthwhileness of the use of cash or other paper-based money, including limiting the transferability of checks, and a proposal regarding the provision of incentives and the removal of impediments with the aim of encouraging the use of advanced electronic means of payment."

The Currency Department was involved in the discussions concerning the areas of its responsibility, and where possible it is prepared for the changes to its operations that are expected to result from the implementation of the recommendations, including the possible reduction in the volume of demand for cash.

² The survey was conducted in 2012 by the "Meida Shivuki" institute for the Currency Department.

Box 5: Automated teller machines

There were 1,867 automated teller machines (ATMs) for cash withdrawals at the end of 2013, including 285 machines that Shva–Automatic Bank Services sold to the “Modi’in Ezrachi” company.

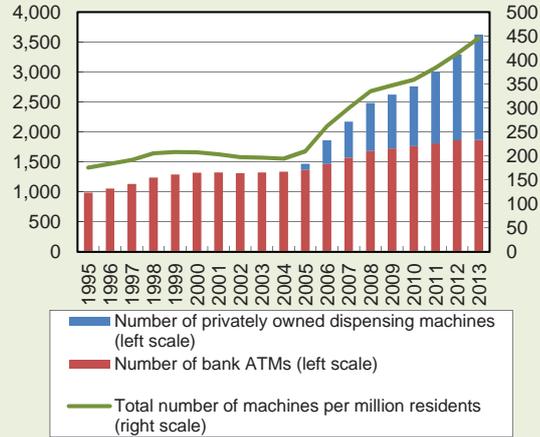
In addition, there were 1,760 cash dispensing machines owned by a private company (Casponet) at the end of 2013. These machines, which entered the market in 2005, are mostly located outside shopping centers and in the periphery. Some of these machines are operated by the businesses in which they are located using re-used banknotes from that business, as is customary overseas. In contrast with the banknotes supplied by banks for the ATMs, there is

no obligation to inspect the notes supplied through the private cash dispensing machines. As such, the cost of operating the private machines is lower than the cost of operating the ATMs. The withdrawal fee collected by these machines is not subject to regulation, and is therefore relatively high. This is one of the reasons that despite the large number of these machines, the volume of withdrawals from them is relatively low compared to the volume from ATMs. Another reason is that the business owners limit the maximum withdrawal amount to a few hundred shekels, while withdrawals from ATMs are limited by the customer’s type of card.

Other alternatives for making cash withdrawals have been introduced in recent years—hundreds of withdrawal points in retail marketing chains and gas stations. Some of these machines are direct debit, settling the withdrawal in the bank account immediately, while in others, it is deferred to the credit card charge date.

The number of machines per million residents in Israel is still low compared to EU countries—446 in 2013 (including ATMs and privately owned cash

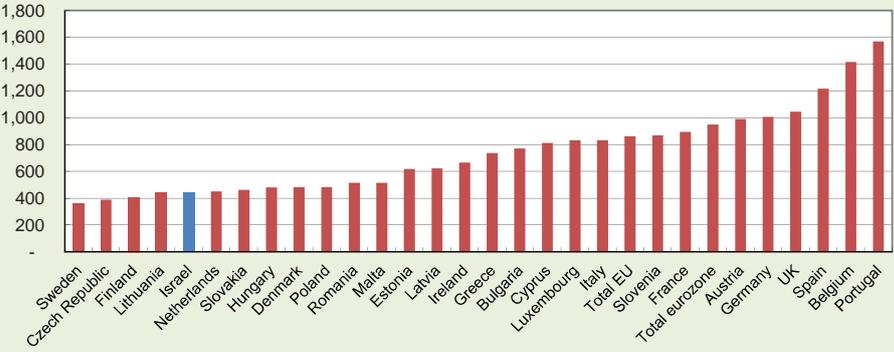
Figure 4
Number of bank ATMs and other cash dispensing machines, 1995–2013



SOURCE: Central Bureau of Statistics, Banking Supervision

dispensing machines) compared to 864 in the entire eurozone in 2012. The number of machines in the countries reviewed ranged from 359 per million residents in Sweden to 1,569 per million residents in Portugal.¹

Figure 5
Number of ATM machines per million population, Israel and EU member countries^a



^a Data on Israel are as of the end of 2013; Other data are as of the end of 2012.
 SOURCE: Israeli data - Central Bureau of Statistics, Banking Supervision Department and Currency Department calculations; Other data - European Central Bank, Statistical Data Warehouse.

The low availability of machines in Israel is also attested to by the fact that the public holds a relatively high amount of cash without depositing it in current accounts. In 2013, cash in the hands of the public constituted 35 percent of total means of payment (M1), while this figure was just 16.5 percent in the Eurozone in 2012.

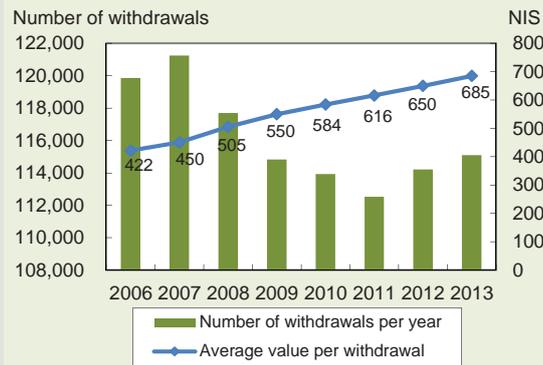
The average amount withdrawn from ATMs continued to increase in 2013—by 5 percent to NIS 685. (The average annual increase over the past decade was 7 percent). One possible explanation for this is the bank fees reform that took effect in July 2008, as a result of which the public may have become increasingly aware of the bank charges on self-service cash withdrawals and cut down the number of their withdrawals. This is supported by the fact that the rate of increase in the number of withdrawals is in fact less than the increase in their total monetary value.

¹ ECB, Statistical Data Warehouse.

In 2013, the cumulative amount withdrawn per resident in Israel was NIS 9,687, and the number of cash withdrawals from ATMs per resident in Israel was 14, similar to 2012.

In recent years, the commercial banks have introduced machines for depositing banknotes and coins, in an effort to streamline customer service and reduce the costs of cash handling in their branches.

Figure 6
Number of withdrawals from ATM machines



SOURCE: Banking Supervision Department and Currency Department calculations.

2. Banknotes in Circulation

a. The value and quantity of banknotes in circulation

The value of the banknotes in circulation in 2013 totaled NIS 55.7 billion, compared with NIS 53.1 billion in the previous year, representing growth of about 5 percent. The number of banknotes in circulation increased from 408 million banknotes in 2012 to 423 million in 2013, an increase of 4 percent. The gap between the growth rate in the value of banknotes in circulation and the growth rate in their quantity developed over recent years, and is explained by the significant increase in the number of NIS 200 banknotes in circulation (about 7 percent in 2013) as a result of their widespread integration into ATMs.

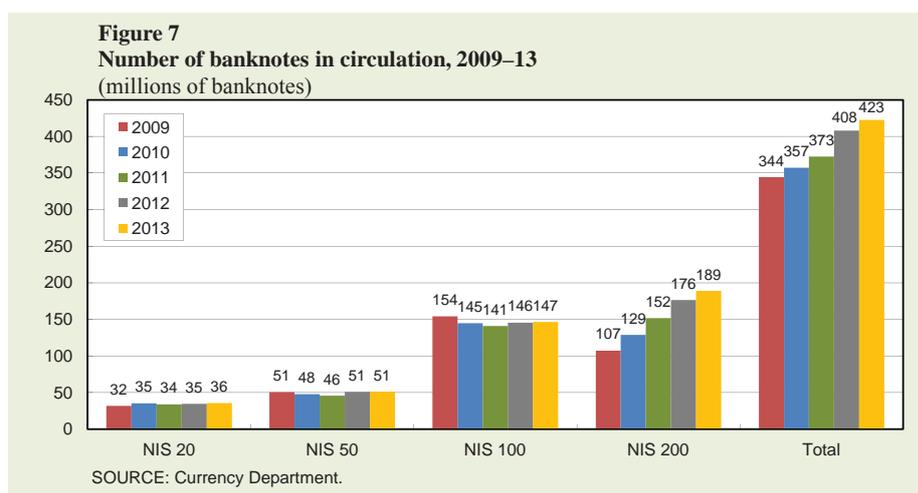


Table 3: Value of banknotes in circulation by denomination, 2006–13 (end of year, NIS million)

	2006	2007	2008	2009	2010	2011	2012	2013
NIS 20	471	505	612	637	709	683	693	716
NIS 50	2,320	2,370	2,298	2,535	2,397	2,288	2,556	2,567
NIS 100	2,704	3,098	3,998	5,425	4,486	4,090	4,571	4,652
NIS 200	8,833	11,748	6,132	1,485	5,773	0,356	5,291	7,798
Total	4,328	7,721	3,040	0,082	3,365	7,417	53,112	5,732

SOURCE: Currency Department.

b. The composition of the banknotes in circulation by denomination

The composition of banknotes in circulation is influenced to a large extent by the composition of banknotes in ATMs. The value of total withdrawals from ATMs in 2013 was 36 percent of the total value of withdrawals by the public from commercial banks (with the remainder being withdrawn at branch counters).

The composition of banknotes in ATMs is influenced by the need to balance quality of service considerations with considerations of operational efficiency. It is also necessary for the mix to be determined by customer withdrawal patterns and that it include sufficient banknotes of each denomination. However, the multiplicity of banknotes with low denominations may lead to the machines frequently being empty, thereby requiring frequent reloading in order to maintain continuous of the service. This, in

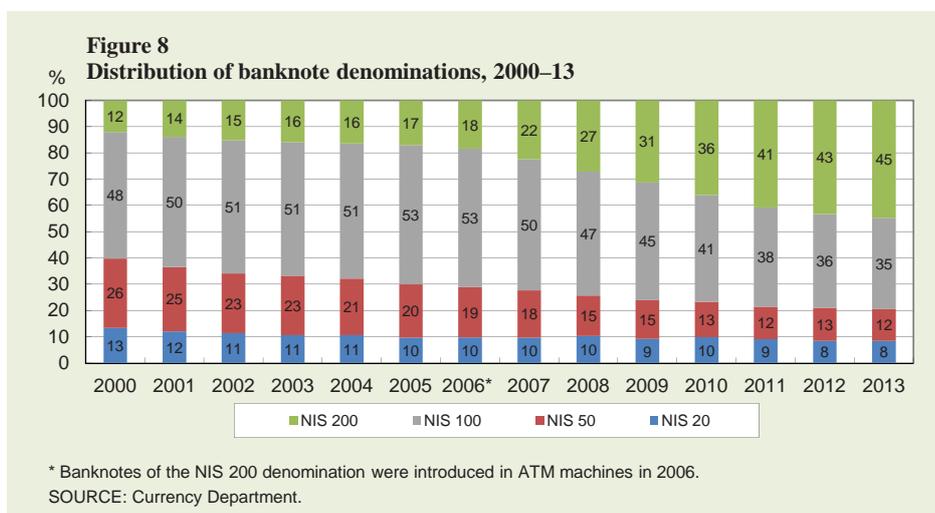
turn, increases the operating costs inherent in shipping the banknotes and in handling the ATMs.

A survey conducted by the Currency Department in 2012 found that there is a gap between the actual and desired composition of banknotes in circulation, particularly in the composition of banknotes in ATMs. In view of the findings and their implications, the Bank of Israel is assessing various alternative responses to this issue.

In 2013, the share of NIS 200 banknotes in circulation continued to grow, due to their widespread integration into ATMs. Since 2011, NIS 200 banknotes have constituted the largest number of banknotes in circulation, reaching 45 percent at the end of 2013. At the same time, NIS 100 banknotes accounted for 35 percent, NIS 50 banknotes were 12 percent, and NIS 20 banknotes were just 8 percent of banknote circulation.

The growth trend in the number of NIS 200 banknotes began in the second half of 2006, when they were first put into some commercial bank ATMs due to the considerations listed above. Putting the NIS 200 banknotes into the machines had an immediate effect on the composition of banknotes in circulation. From the beginning of 2006 until the end of 2013, the proportion of these banknotes in circulation grew by 28 percentage points. Most of the growth came at the expense of NIS 100 banknotes, the share of which declined during the same period by 18 percentage points. The share of NIS 50 banknotes in circulation declined by 8 percentage points, and the share of NIS 20 banknotes remained the lowest of all denominations, since there are very few of them in ATMs at a small number of banks.

It is possible to discern a continuing trend of change in the composition of the denominations in banknote circulation. The proportion of NIS 50 and NIS 100 banknotes continues to decline, while the proportion of NIS 200 banknotes continues to increase in tandem with the increase in its placement into ATMs.



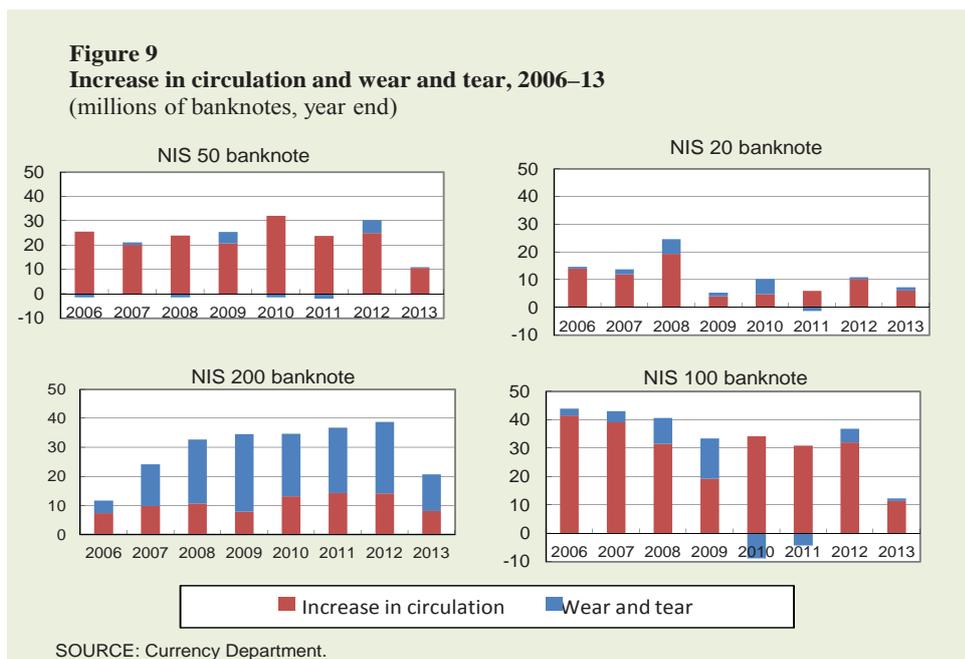
Reports from the cash centers to the Currency Department show that the NIS 20 banknotes tend to remain in circulation longer than all other denominations before being deposited at the cash centers (16 months), and that they are not put back into circulation when deposited due to their low quality at the time they are deposited. This is explained partly by the low frequency with which these banknotes are found in ATMs. Moreover, this phenomenon is typical of banknotes with the lowest denomination, since business owners tend to keep them in their cash drawers instead of depositing them at banks, due to their need to provide change.

NIS 200 banknotes also tend, on average, to remain in circulation for prolonged periods (12 months), since due to their high value, they also serve as a means of holding cash.

c. The consumption of banknotes

In 2013, 51.1 million banknotes were consumed.

There are two components in the consumption of banknotes. The first is the increase in circulation—the difference between cash withdrawals and deposits, i.e., demand. In the reviewed year, the circulation of banknotes increased by 14.7 million banknotes—less than the growth for 2012 (35.4 million banknotes). There was growth in the circulation of all denominations in 2013, but most of the growth (85 percent) took place in the circulation of NIS 200 banknotes.



The second—and main—component in the consumption of banknotes is wear and tear. The Bank of Israel withdraws from circulation and shreds banknotes that are unfit for re-use during the counting and sorting process and issues new banknotes in their place. In 2013, wear and tear accounted for 36.5 million banknotes—71 percent of consumption.

Table 4: Consumption of notes, i.e., wear and tear and increase in circulation, 2006–13
(millions of notes)

Denomination		2006	2007	2008	2009	2010	2011	2012	2013
Total	Wear and tear	88.5	81.1	85.7	51.8	84.4	75.0	81.5	36.5
	Increase in circulation	6.1	21.1	34.9	47.0	16.6	15.0	35.4	14.7
	Total consumption	94.6	102.2	120.6	98.8	101.1	89.9	116.9	51.1
NIS 20	Wear and tear	14.0	11.9	19.4	4.0	4.9	6.0	10.3	6.1
	Increase in circulation	0.7	1.8	5.3	1.3	5.4	-1.2	0.5	1.1
	Total consumption	14.7	13.7	24.7	5.3	10.3	4.8	10.9	7.2
NIS 50	Wear and tear	25.6	20.2	24.0	20.7	32.1	23.8	25.0	10.7
	Increase in circulation	-1.4	1.0	-1.4	4.7	-1.4	-2.0	5.4	0.2
	Total consumption	24.2	21.2	22.6	25.4	30.7	21.8	30.3	10.9
NIS 100	Wear and tear	41.5	39.1	31.6	19.2	34.2	30.9	32.1	11.5
	Increase in circulation	2.5	4.0	9.0	14.3	-8.9	-4.3	4.8	0.8
	Total consumption	44.0	43.1	40.6	33.5	25.3	26.5	36.9	12.3
NIS 200	Wear and tear	7.4	9.9	10.8	7.8	13.2	14.3	14.1	8.2
	Increase in circulation	4.3	14.3	21.9	26.8	21.6	22.5	24.7	12.5
	Total consumption	11.7	24.2	32.7	34.6	34.8	36.8	38.8	20.7

Source: Currency Department.

The lifespan and quality of banknotes in circulation

Three factors affect the quality of banknotes in circulation:

1. **The denomination:** There is a correlation between the denomination of the banknote and how it is used and regarded by the public. The higher the denomination, the better

it is treated by the public. Notes with higher denominations therefore tend to last longer and their quality is better.

2. Sorting of banknotes: More stringent sorting of deposited banknotes by the commercial banks and the Bank of Israel improves the quality of the notes in circulation, increases the proportion of notes that are shredded, and shortens the life of the banknotes.

3. The supply of banknotes: Notes of lower denominations tend to suffer more wear and tear, because these banknotes remain in circulation even when they are no longer fit. The reason lies in the gap between supply and demand. As noted, lower denominations are needed for making payments and providing change, but are less available in part due to their limited presence in ATMs. They therefore continue in circulation and are not deposited by the public with the same frequency as notes of other denominations.

In order to improve the quality of the banknotes in circulation and extend their lifespan, thereby saving on issue costs, the Currency Department created a quantitative standard of quality that must be adhered to by cash centers. The Currency Department also acts regularly to improve the substrate upon which the banknotes are printed. All banknote denominations in the new series will be printed on more advanced and better quality types of substrate, compared to previous series.

d. Deposits and withdrawals of banknotes at the Bank of Israel

The growth in circulation was more moderate in 2013 than in previous years, as a result of changes in two of its components: the volume of deposits increased significantly in 2013—by 24 percent—which can be explained by, among other things, significant growth in the volume of deposits received from the Palestinian Authority; and lower growth in the volume of withdrawals—3 percent compared with 17 percent in 2012.

In 2013, 129 million banknotes were deposited with the Bank of Israel, while 144 million were withdrawn.

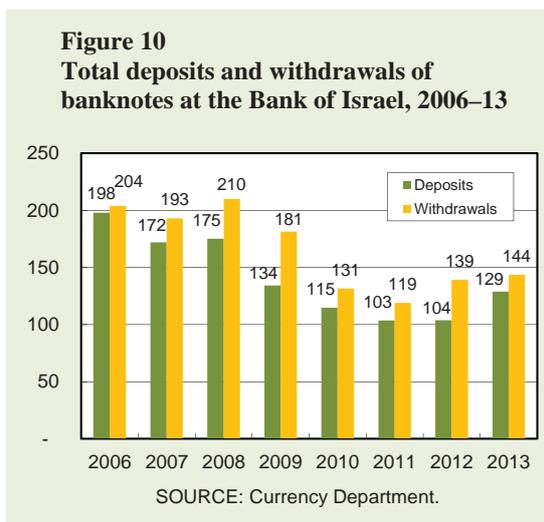


Table 5 : Currency deposits and withdrawals in BOI by denomination, 2006–13 (millions of banknotes)

	Deposits								Withdrawals							
	2006	2007	2008	2009	2010	2011	2012	2013	2006	2007	2008	2009	2010	2011	2012	2013
NIS 20	17	16	22	12	5	9	13	19	19	18	28	13	11	8	13	20
NIS 50	110	44	48	37	37	30	28	30	52	45	46	42	35	28	33	30
NIS 100	53	89	78	58	48	40	39	46	112	92	87	72	39	36	43	47
NIS 200	18	23	27	27	25	24	24	33	21	38	49	54	46	47	49	46
Total	98	72	75	34	15	03	04	129	04	93	210	181	131	119	139	144

Source: Currency Department.

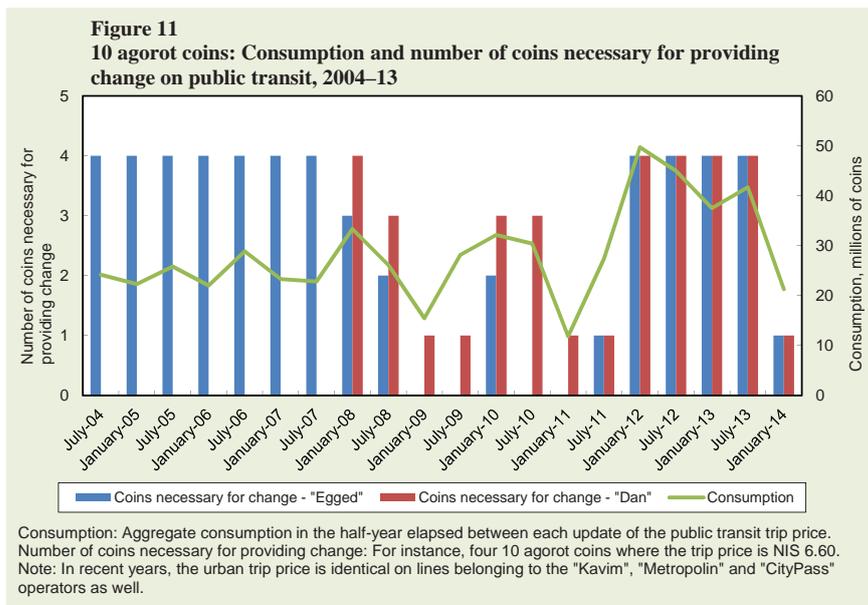
3. Coins in Circulation

a. The value and quantity of coins in circulation

In 2013, coins in circulation accounted for 3 percent of total currency in circulation. The moderate increase of coins in circulation that has been typical over the previous ten years continued in 2013. The value of coins in circulation increased by 9 percent, and the number of coins in circulation in 2013 increased by 7 percent, compared with 2012. At the end of 2013, the value of coins in circulation totaled NIS 1,795 million, with 1,996 million coins in circulation.

The high growth in the number of coins in circulation is mainly explained by the increase in the number of 10 agorot coins, which constituted 60 percent of the number of coins in circulation. These coins are used mainly for providing change on public transport within cities. Since the price of transit in the large cities increased from NIS 6.40 to NIS 6.60 in January 2012, the number of 10 agorot coins necessary to provide change efficiently reached 4—more than in previous years. This was reflected in the exceptional growth in consumption of the coin. As a result, issue costs increased, and those costs were compounded by the high rate of loss of this coin. Public transit costs were increased again in January 2014, to NIS 6.90, and consumption of the coin declined accordingly.

The NIS 1 coin, much used in parking meters and vending machines, accounted for 23 percent of the number of coins in circulation in 2013. The NIS 2 coin, which was first issued on December 9, 2007, accounts for about 3 percent of total coins in circulation. The NIS 5 and NIS 10 coins account for about 4 percent and 3 percent of coins in circulation, respectively.



The weighted average value of a coin in circulation is NIS 0.9, due to the large share of 10 agorot coins in circulation. The weighted average has increased slightly in recent years, due to some increase in the share of the high denomination coins. (The weighted average in 2002 was just NIS 0.71.)

A significant proportion of coin consumption is due to coins being lost by the public, as a result of low attention paid to the coins, or coins being collected and left unused in containers, so that actual consumption is less than the recorded figures. This loss is quite natural, occurring in all countries; it derives from the regular use of coins as a low-value element of the money supply. The proportion of coins lost is inversely related to the value of the coin, since coins with a higher value are treated more carefully by their

Table 6: Value of coins in circulation by denomination, 2006–13 (NIS million)

	2006	2007	2008	2009	2010	2011	2012	2013
5 ag.	10	11	10	10				
10 ag.	78	82	88	92	99	102	112	120
NIS 0.5	53	56	59	61	65	71	70	74
NIS 1	344	368	369	376	392	411	432	455
NIS 2	-	7	45	70	81	88	100	114
NIS 5	245	258	265	280	300	319	336	365
NIS 10	398	429	452	486	524	566	604	669
Total	1,128	1,212	1,287	1,375	1,461	1,557	1,653	1,795

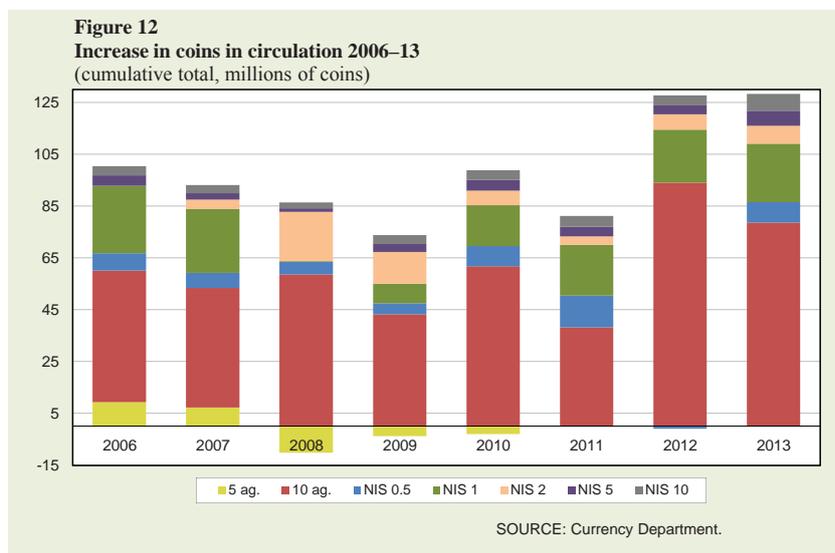
SOURCE: Currency Department.

owners. Losing coins causes an unnecessary increase in issue costs of the coins. The Bank of Israel calls on the public to watch carefully over all types of coins, and to return unused coins in exchange for their value in banknotes.

Table 7: Number of coins in circulation by denomination, 2016–13 (millions of coins)

	2006	2007	2008	2009	2010	2011	2012	2013
5 ag.	209	216	206	202				
10 ag.	775	821	880	923	985	1,023	1,117	1,196
NIS 0.5	107	112	117	121	129	141	141	148
NIS 1	344	368	369	376	392	411	432	455
NIS 2		4	23	35	41	44	50	57
NIS 5	49	52	53	56	60	64	67	73
NIS 10	40	43	45	49	52	57	60	67
Total	1,523	1,616	1,693	1,763	1,659	1,740	1,867	1,996

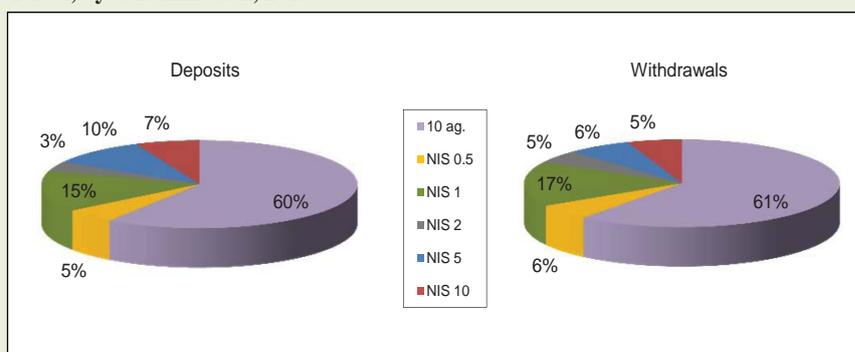
SOURCE: Currency Department.



b. Deposits and withdrawals of coins at the Bank of Israel

Seventy-eight million coins were deposited at the Bank of Israel in 2013, and 206 million were withdrawn. The difference between withdrawals and deposits is the increase in circulation. The NIS 1 and 10-agorot coins dominated both deposits and withdrawals.

Figure 13
Deposits and withdrawals of coins at the Bank of Israel, by denomination, 2013



SOURCE: Currency Department.

Table 8: Deposits and withdrawals of coins in BOI by denomination, 2006–13 (millions of coins)

	Deposits								Withdrawals							
	2006	2007	2008	2009	2010	2011	2012	2013	2006	2007	2008	2009	2010	2011	2012	2013
5 ag.	5	5	10	4	3				14	13	0	0	0			
10 ag.	50	51	50	48	49	58	55	46	101	97	108	92	111	96	149	125
NIS 0.5	9	10	9	9	8	12	11	4	16	16	13	13	15	25	10	12
NIS 1	34	35	31	22	15	20	16	12	60	60	31	29	31	39	37	34
NIS 2	0	0	1	2	5	5	4	3	0	4	20	15	11	9	10	10
NIS 5	9	10	9	7	6	7	5	8	13	13	11	10	10	11	8	14
NIS 10	7	6	7	4	5	5	3	5	11	10	9	8	9	9	7	12
Total	115	119	116	97	91	108	94	78	215	212	193	167	187	189	221	206

SOURCE: Currency Department.

D. CHANGES TO BANKNOTES AND COINS IN CIRCULATION

There were no changes to the features of banknotes and coins in circulation in 2013.

E. COUNTERFEIT BANKNOTES AND COINS

By law, as stated, the Israel Police is the sole body tasked with dealing with currency counterfeiting. The Bank of Israel acts in this area in coordination with the police and with other bodies.

1. Anti-counterfeit action and tracing counterfeit money

As in other countries, there are attempts in Israel to counterfeit currency. The proportion of counterfeit notes found in circulation in 2013 was 0.0021 percent, a lower proportion than in the eurozone, where the figure was 0.0034 percent. In 2013, the proportion of counterfeit coins was 0.01 percent of all coins in circulation. As expected, in 2013 as well, most of the counterfeits were of the higher denominations—NIS 100 and NIS 200 notes, and NIS 5 and NIS 10 coins.

The figures for counterfeiting have improved over the past three years as a result of the implementation of the Bank of Israel's new cash handling policy. Under the stipulations of the new policy, the commercial banks have procured sophisticated counting and sorting machines that were approved by the Bank of Israel as capable of detecting counterfeits. The commercial banks are obligated to check for counterfeits before releasing banknotes and coins for circulation, including the notes used to fill the ATMs. As a result of the sophistication of the inspections, the volume of counterfeits detected by the commercial banks during counting and sorting rose substantially.

It is important to note that as part of the counting and sorting process, all notes and coins deposited at the Bank of Israel by the commercial banks and the general public are rigorously tested by the Bank for counterfeits.

In addition to the increase in the volume of counterfeit detection by the commercial banks, further evidence of the removal of counterfeits from circulation is the absence of complaints filed with the Public Enquiries Unit of the Banking Supervision Department regarding counterfeit notes withdrawn from ATMs.

Any cash suspected of being counterfeit is transferred to the Israel Police which, under the penal law is charged with combating counterfeiting.

Under the Penal Law, 5737–1977 (Chapter 12, Section 484), if a State employee, Bank of Israel employee, or commercial bank employee who receives a currency note or coin has reasonable grounds to believe that it is counterfeit, he or she is obligated to deliver it to the police forthwith for investigation. (Catching the offenders responsible

for forgeries and for distributing counterfeits is one of the Israel Police's legal responsibilities.)

The Penal Law, 5737–1977 (Chapter 12) prescribes penalties for counterfeiting, replicating money, possessing materials for counterfeiting, and the illegal issue of money. The penalty for these violations is up to seven years imprisonment, depending on the violation.

In its struggle against currency counterfeits, the Bank of Israel's Currency Department works at several levels:

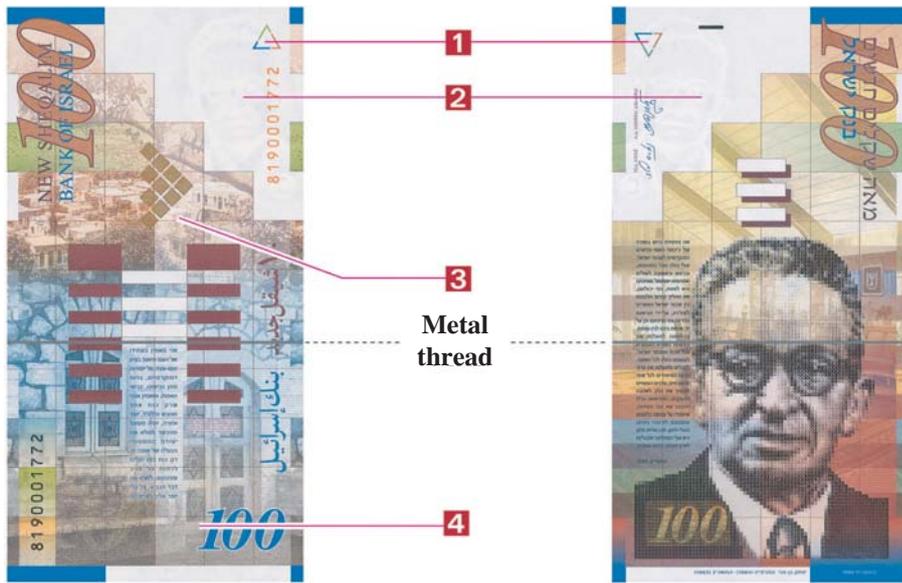
- Through a designated forum that includes representatives of the police, the commercial banks and the Association of Banks in Israel, as well as representatives of the Department. The forum's objective is to increase coordination and information sharing among all of the relevant bodies.
- The cash handling policy: The commercial banks are obligated to take actions to prevent the recirculation of counterfeit coins and banknotes, as part of which they are required, as stated, to purchase sorting and counting machines capable of identifying counterfeits.
- Security features: The Currency Department takes action to upgrade the security features that will appear on the new series of banknotes. These features are selected taking several factors into account: the difficulty of counterfeiting, the ease with which the general public can identify counterfeits, production costs, durability of the features and their effect on the lifespan of the note, and the ability of vending machines and money changing machines to identify the note without disruption.

Three categories of security features appear on the notes: security features for the public, security features for cashiers that can be identified when the proper devices are used, and security features that can be read by the sorting and counting machines used by the commercial banks and the Bank of Israel.

- Enhancing public awareness: Since the public plays an important role in preventing the distribution of counterfeit cash, the Currency Department takes action to enhance the public's awareness of the security features. Accordingly, the Bank of Israel has upgraded the relevant information appearing on its Internet site and has published brochures outlining the principal security features that help identify counterfeit banknotes. These brochures can be obtained through the Currency Department. Information on the security features is also available on the Bank of Israel's website at: <http://www.boi.org.il/en/currency>

The public should be alert to attempts at counterfeits, since counterfeit notes will not be exchanged, and the loss will be borne entirely by the holder. The public is therefore advised to check the security features on the notes and coins they receive. Notes suspected as counterfeit must by law be handed to the police.

2. How to identify an authentic Series B banknote



1 Two triangles, one on each side of the note, together produce a precise Star of David when the note is held against the light.
In a counterfeit note, there are imprecisions.



2 An exact image of the personage featured on the note can be seen when the note is held up to the light, and next to it a small circle enclosing his initial.
In a counterfeit note, this watermark is either missing, or unclear.



3 The note has an image of a triangle made up of ten small squares which change color when the note is tilted.
In a counterfeit note, the squares do not change color.



4 The denomination of the note, printed in large numbers in transparent ink, appears and disappears when the note is held at different angles.
In a counterfeit note, the numbers do not disappear.



These security features appear on all genuine banknotes

Further information about the security features can be found on the Bank of Israel website: <http://www.boi.org.il/en/currency/BanknoteSecurityFeatures>

Box 6: Guidelines on the use of photocopies and replicas of banknotes and coins

1. General

- (a) The following guidelines are intended to prevent misleading of the public, to ensure that the currency is treated with due respect, and to maintain the Bank of Israel's copyright.
- (b) In these guidelines, a coin or banknote shall mean a coin or banknote that was or is legal tender in Israel.
- (c) In these guidelines, a replica of a coin or banknote shall mean a reproduction or photocopy of a coin or banknote, in print or in any other form.
- (d) In these guidelines, a replicated coin or banknote shall mean an item that is generally similar in design to a coin or banknote—for example that displays an image resembling a banknote or specifies a monetary value such as "NIS 10".
- (e) Furthermore, coins and banknotes must not be debased—by photocopying or in any other way.

2. Guidelines

- (a) The distribution of a replica of a coin or banknote in the form of a coupon, voucher or similar is prohibited.
- (b) A coupon, voucher or similar resembling a coin or banknote may be distributed, provided that the coupon or voucher is at least 30 percent larger or smaller in size than the coin or banknote.
- (c) A replica of a coin or banknote may be used as part of a design or advertisement provided that all of the following conditions are met:
 - 1) The dimensions of the replica coin or banknote must be at least 30 percent larger or smaller than a real coin or banknote.
 - 2) A photocopy or printing of a coin or banknote must not appear on both sides of the replica.
 - 3) Elements of the design of the coin or banknote must not be changed, and no features other than text for advertising purposes, shall be added to the replica.

4) A replica of a coin or banknote may be black-and-white or color; however, the colors in a color replica must be the same as those of the real coin or banknote.

(d) A replica of a coin or banknote may appear in a catalogue, book, research paper, etc., provided that they cite the Bank of Israel's copyright, and that they meet all the conditions listed in Section 2(c) (with one change: In Section 2(c)3, the words "other than text for advertising purposes" shall be omitted).

This information also appears on the Bank of Israel's website at www.boi.org.il/en/currency.

Box 7: Bank of Israel regulations concerning damaged currency

General explanations:

Section 45(f) of the Bank of Israel Law, 5770-2010, authorizes the Governor to determine "provisions for the withdrawal from circulation of currency damaged through use or destroyed and for its replacement under the conditions prescribed in the regulations; rules regarding the fee that the Bank shall charge for such replacement shall be determined with the approval of the Knesset Finance Committee".

Consequently, in July 2010, new directives took effect—the Bank of Israel (Withdrawal from Circulation or Replacement of Currency Damaged through Use or Destroyed) Rules, 5770-2010. These directives replaced the Bank of Israel (Replacement or Withdrawal from Circulation of Currency Damaged through Use or Destroyed) Regulations, 5715-1955, which were promulgated pursuant to Section 34 of the Bank of Israel Law, 5714-1954.

The new rules were adapted to the present times, and allow damaged or destroyed currency of amounts up to NIS 1,500 to be sent to the Bank by post. The amount is then credited directly to the customer's bank account. Other problems that the Bank has encountered over time and that required secondary regulation were also addressed, for example: definition of the term "through use", adapting the application form for changing currency, and the possibility of replacing money that was destroyed in an accident solely on the basis of evidence, without the remnants of the currency.

Under the rules, no fee is charged for exchanging currency damaged through use or destroyed.

Damaged currency can be replaced free of charge at the Bank of Israel Cashier's Desk at 2 Kaplan Street, Jerusalem, Sunday through Thursday between 8:00 am and 1:00 pm, or sent by registered mail to the Bank of Israel, Currency Department, Cash Desk, POB 780, Jerusalem, 91007.

For more information on replacing damaged currency, please contact the Currency Department's Cashier's Desk of the Currency Department at 02-655-2847.

Bank of Israel (Withdrawal from Circulation or Replacement of Currency Damaged through Use or Destroyed) Rules, 5770-2010

By virtue of his powers under Section 45(f) of the Bank of Israel Law, 5770–2010¹, the Governor has prescribed the following rules:

1. In these rules “through use”—not through deliberate action or gross negligence.
2. The Bank will replace, with the equivalent legal tender, currency damaged through use if more than half of the coin/banknote is presented, in one or several pieces, provided that the Bank is satisfied that the pieces are all part of the same currency.
3. The Bank will replace, with the equivalent legal tender, currency damaged through use if more than half of the coin/banknote is presented, in one or several pieces, provided that the Bank is satisfied that the pieces are all part of the same currency.
4. a. The Bank will replace currency damaged through use that is presented to it as a half banknote/coin in one or several pieces, with the equivalent legal tender, one year after the currency is presented, provided that both the following conditions are met:
 - 1) The Bank is satisfied that the pieces are part of the same coin or banknote;
 - 2) The Bank does not receive the second half of the coin or banknote during the aforementioned year.
- b. The Bank will not replace half a banknote/coin that is produced once it has already replaced half as noted in sub-section (a). The Bank may seize this half banknote/coin and withdraw it from circulation.
5. a. The Bank may seize less than half a banknote/coin that is produced as currency damaged through use and withdraw it from circulation.
- b. If the Bank refuses to replace more than half a banknote/coin of currency that is damaged through use, the Bank may seize the currency and withdraw it from circulation from ninety days after sending such notification to the applicant, unless the applicant submits a written request to the Bank during this period asking to repossess the banknote/coin.

- c. If the Bank receives a request of this nature, as noted in sub-section (b), it will send the banknote or coin to the applicant's address by registered mail. Confirmation of receipt of the registered mail shall be conclusive evidence of delivery.
6. The Bank may replace the destroyed currency with the equivalent legal tender, provided that it is satisfied that both of the following conditions have been met:
 - a. The currency was destroyed accidentally.
 - b. Remnants of the currency were produced, and the Bank is satisfied that the rest of the banknote/coin was entirely destroyed, or the Bank received other evidence persuading it that the currency was totally destroyed.
7. a. A person who wishes to replace currency that is damaged or destroyed shall pursue one of the following courses:
 - 1) Submit the form in the Appendix to the Bank of Israel Cash Desk in Jerusalem, and attach the damaged currency or remnants of the destroyed currency or any other evidence confirming that the currency was totally destroyed;
 - 2) Send a request to the Bank at the following address: Bank of Israel, Currency Department Cash Desk, POB 780, Jerusalem, 91007, by registered mail, attaching the form mentioned in part (1), the damaged currency or remnants of the destroyed currency, or any other evidence confirming that the currency has been totally destroyed, and also specifying the number of the applicant's bank account at a commercial bank.
- b. A request sent under sub-section (a)(2) shall involve a sum of up to NIS 1,500, and the applicant shall be responsible for its contents until the Bank opens the request and clarifies its contents.
- c. Should a request be submitted pursuant to sub-Section (a) and the Bank accede to it, the Bank shall replace the damaged or destroyed currency at the Bank's cash desk or it shall credit the requester's bank account at a commercial bank as per the details provided by the applicant in the request, at its discretion
8. The Bank of Israel (Replacement or Withdrawal from Circulation of Currency Damaged through Use or Destroyed) Regulations, 5715-1955, are null and void.

**Appendix
Section 7(a) -
Application form for replacing damaged or mutilated currency as per Bank of
Israel regulations**

To:
The Bank of Israel, Currency Department—Cash Desk
POB 780, Jerusalem 91007
By registered mail / delivery in person

1. Applicant's details

The applicant (surname and first name)
I.D. no. / passport no. and country in which the passport was issued:.....
Applicant's address (city, neighborhood, street, number, zip code).....
Home phone no. / mobile no. / email:

2. Details of damaged banknotes or coins:

Number of damaged banknotes and coins	face value	Serial number/s *	Amount in NIS
	NIS 20		
	NIS 50		
	NIS 100		
	NIS 200		
	10 agorot		
	NIS 0.5		
	NIS 1		
	NIS 2		
	NIS 5		
	NIS 10		
Total			Total

* If requesting more than one banknote of the same denomination, please include a list of the numbers of all the banknotes to be replaced.

3. Circumstances in which the currency was damaged or mutilated, what happened to other parts of the banknote or coin that were not produced together with the application (please provide full details):

4. Bank account details:

When sending currency by registered mail, or as requested by the Bank when delivering currency at the Cash Desk, please also provide the applicant's bank account details:
Bank name: _____ branch name: _____ branch number: _____ account number: _____

5. Declaration

I hereby declare that all the information in this application is correct, and I state that I am the owner of the account to be credited.

Date: _____ Applicant's signature: _____

* The form may be printed from the Bank of Israel's website:

<http://www.boi.org.il/en/currency/LegislationandRegulation>

Box 8: Defaced currency

The Penal Law

If a person maliciously defaces, tears, cuts or otherwise mutilates a currency note that is legal tender in Israel, he shall be liable to three months imprisonment (Penal Law, 5737–1977, Chapter 12, Section 466).

If a person defaces a coin by stamping a name or word on it, or if he maliciously melts down a coin, he is liable to one year imprisonment (Penal Law 5737–1977, Chapter 12, Section 480).

The Currency Department takes action to uproot the practice of writing on banknotes, common among many businesses, merchants, and cashiers. This practice is considered currency defacement, and is prohibited under the Penal Law. When a banknote of this kind is found, the Bank of Israel withdraws it from circulation, leading to higher issue costs.

F. COMMEMORATIVE COINS

In 2013, a commemorative coin issued by the Bank of Israel was awarded a special prize at the tenth Vicenza Numismatica international competition¹, as the “most beautiful architectural representation on a commemorative coin minted in 2012” The prize was awarded to the NIS 2 silver proof coin that was dedicated to the water supply system at Tel Megiddo.

In its selection, the panel of judges noted the “elegant and suggestive representation Tel Megiddo’s water system” that is “part of a bigger archaeological complex, and is symbolized on the coin by an essential and evocative perspective full of beauty and mystery.”

The competition’s organizers congratulated the Bank of Israel, the Israel Coins and Medals Corporation Ltd., and the coin’s designer, Ms. Osnat Eshel, on the award.

This coin is the fourth in the series dedicated by the Bank of Israel to UNESCO’s World Heritage Sites in Israel, following coins dedicated to the White City in Tel Aviv, Massada, and the Old City of Acco.

¹ This annual competition takes place in the city of Vicenza, Italy, as part of a fair which specializes in banknote, coin and commemorative coin collecting.



As in previous years, the Bank of Israel issued five commemorative coins in 2013, in five different series.

a. Independence Day series coin, 5773–2013 - “Yad Vashem – 60 Years”

The commemorative coin in honor of the 65th anniversary of the State of Israel was dedicated to Yad Vashem.

Yad Vashem in Jerusalem is the world center for the commemoration of the 6 million Jews who were murdered in the Holocaust, and serves as a focus for the Jewish nation’s continued struggle to deal with the remnants of the Holocaust. It was established in 1953 by a special law, and is tasked with the documentation of the history of the Jewish people during the Holocaust period. It tells the story of the lives of the victims, eternalizes their memory, and instills the legacy of the Holocaust in future generations through archives, a library, a school for Holocaust education, and museums, as well as through the recognition of the Righteous Among the Nations.



Yad Vashem won international recognition, and is an important destination for world leaders visiting Israel.

A relief depicting a striped shirt bearing a badge in the shape of the Star of David appears on the coin's obverse side, representing the prisoner's uniform worn by Jewish in the camps. A Star of David appears in the background, a symbol of the rebirth of the nation in its land, the State of Israel.

The following text appears on the margin of the coin:

Hebrew: יד ושם

English: YAD VASHEM – 60 YEARS

Arabic: ياد فاشيم - 60 سنة

The reverse side of the coin contains the text:

Hebrew: יום העצמאות התשע"ג

English: Independence Day 2013

Regular items also appear on the reverse: the nominal value in Hebrew and English, the emblem of the State of Israel, the word “Israel” in Hebrew, English, and Arabic, and the mint mark.²

The coin was designed by Mr. Yossi Lemel.

The coin was issued in May 2013 in two silver versions and one gold version.

Details: Independence Day series coin, 5773–2013, “Yad Vashem – 60 Years”

	Silver proof-like	Silver proof	Gold proof
Nominal value	NIS 1	NIS 2	NIS 10
Metal	Silver 0.925	Silver 0.925	Gold 0.917
	Copper 0.075	Copper 0.075	Copper 0.043 Silver 0.040
Weight	14.40 grams	28.80 grams	16.96 grams
Diameter	30 mm	38.7 mm	30 mm
Edge	Smooth	Milled	Milled
Designer: Yossi Lemel			
Engraving: Tidhar Dagan			
Tooling and minting: Israel Coins and Medals Corporation, Israel.			

b. Biblical Art series coin, 5773–2013 - “David Playing for Saul”

The “David Playing for Saul” coin in the Biblical Art Series is dedicated to the story of the young David, and reflects the rise and fall of King Saul, as described in the book of Samuel I.

In the days of the Judges, the Philistines harassed the Jewish nation, and representatives of the people demanded that the prophet Samuel install a king over them. Saul son of Kish from the tribe of Benjamin was chosen for the position. His reign lasted about two years, and was beset by many wars against the Philistines. Through Samuel, G-d commanded him to also wage war against Amalek, but Saul had mercy on Agag the Amalekite king and failed in his leadership, leading to his downfall. At G-d’s instruction, Samuel removed him from the kingship.

G-d sent Samuel to Yishai of Bethlehem in order to anoint one of his sons as king over Israel. Yishai presented Samuel with seven of his sons, but G-d did not select any

² The mint mark denotes the coin’s standard of finish; a miniature Star of David is imprinted on coins with proof-like finish, and a miniature Hebrew letter “mem” on coins with a proof finish.

of them. Finally, Yishai presented his youngest son, David, a good looking shepherd, and G-d selected him. From that day onward, the spirit of G-d was with David. It left Saul and was replaced by an evil spirit. In order to calm him, his servants recommended that he seek out a person who knew how to play the harp. One of the youths suggested David the son of Yishai, a young man whose anointment remained unrevealed to the king. “And David would take the harp and play it with his hand; and Saul was refreshed and was well, and the evil spirit departed from him.” (I Samuel, 16:23).

An outline of Saul in the background, hinting at his expected removal from rule, is depicted on the obverse side of the coin. He is sitting weakly on the throne and his crown is almost falling off his head. In front of him sits David, the young shepherd. He is depicted as a simple youth playing for Saul, but the firm outline and his location hint at his expected rule.



A small harp, symbolizing David’s harp, is depicted on the reverse side, together with the words

Hebrew: דוד מנגן לשאול שמואל א' ט"ז

English: DAVID PLAYING FOR SAUL I SAMUEL 16

Arabic: داود يعزف ليشاؤول صموئيل الأول 16

Regular items also appear on the reverse side: the face value in Hebrew and English, the emblem of the State of Israel, the mint year, the word “Israel” in Hebrew, English, and Arabic, and the mint mark.

The coin was designed by Mr. Moshe Pereg (obverse side) and Mr. Gideon Keich (reverse side), who won the design competition.

The coin was issued in December 2013 in two silver versions and two gold versions.

Details: Biblical Art series coin, 5774–2013, “David Playing for Saul”

	Silver proof-like	Silver proof	Gold proof	Gold proof*
Nominal value	NIS 1	NIS 2	NIS 10	NIS 1
Metal	Silver 0.925	Silver 0.925	Gold 0.917	Gold 0.999
	Copper 0.075	Copper 0.075	Copper 0.043	
Weight	14.40 grams	28.80 grams	Silver 0.040	1.244 grams
			16.96 grams	
Diameter	30 mm	38.7 mm	30 mm	13.92 mm
Edge	Smooth	Milled	Milled	Milled
Designers: Moshe Pereg and Gideon Keich				
Engraving: Tidhar Dagan				
Tooling and minting: Royal Dutch Mint				
* This coin has a small diameter. Therefore, minor design adjustments were necessary.				

c. FIFA World Cup series coin, 5773–2013 - “Brazil - 2014”

“FIFA World Cup, Brazil – 2014” is the name of the third coin issued by the Bank of Israel to mark the World Cup competition, a tournament organized by the Federation of International Football Associations (FIFA). It was preceded by coins issued to mark the games held in Germany in 2006 and in South Africa in 2010. In 2014, the games were hosted by Brazil for the second time in history. The tournament lasted four weeks, from June 12 to July 13.



On the obverse side, a football is seen in the net, with the English words “2014 FIFA WORLD CUP BRAZIL™”.

On the reverse side, there is a combination of a football and the globe moving in its orbit, with the words:

Hebrew: גביע העולם בכדורגל

Arabic: كأس العالم بكرة القدم

Regular items also appear on the reverse: the nominal value in Hebrew and English, the emblem of the State of Israel, the mint year, the word “Israel” in Hebrew, English, and Arabic, and the mint mark

The coin was designed by Mr. Yigal Gabay (obverse side) and Mr. David Harel (reverse side), who won the design competition.

The coin was issued in August 2013 in two silver versions and one gold version.

Details: Independence Day series coin, 5774–2013, “Brazil - 2014”

	Silver proof-like	Silver proof	Gold proof
Nominal value	NIS 1	NIS 2	NIS 10
Metal	Silver 0.925 Copper 0.075	Silver 0.925 Copper 0.075	Gold 0.917 Copper 0.043 Silver 0.040
Weight	14.40 grams	28.80 grams	16.96 grams
Diameter	30 mm	38.7 mm	30 mm
Edge	Smooth	Milled	Milled

Designers: Yigal Gabay and David Harel

Engraving: Tidhar Dagan

Tooling and minting: Mint of Holand

d. Views of Israel series coin, 5774–2013 – “Jordan River”

The Jordan river is depicted on the second coin in the Views of Israel series, which is dedicated to beautiful and unique nature sites and views in Israel.



The Jordan is the lowest river in the world and the longest river in Israel. It passes through the Syrian-African Rift Valley along the length of Israel from north to south, and connects the Sea of Galilee with the Dead Sea. Its winding path, from its source at the base of Mt. Hermon to the Dead Sea, reaches a length of 250 km, while it generally does not exceed 30 meters in width.

The Jordan is considered one of the most important rivers in the world in historical and religious terms. It is mentioned in the Bible a number of times, including as the eastern border of the Land of Canaan and as a site where miraculous wonders were wrought. The book of Joshua relates how the Children of Israel entered the Land of Israel through the river, after it was split into two. II Kings relates that the prophet Elijah split it with his cloak. The Jordan is considered a holy site in Christianity as well, and according to the New Testament, Jesus bathed in its waters.

The Jordan river is among the most important tourist sites in Israel. It is a focus of both domestic tourism and Christian pilgrims who come from all over the world to immerse themselves at the Yardenit site where the river emerges from the Sea of Galilee.

The obverse side of the coin depicts a view of the Jordan river with one of its bridges. The Hermon ridge can be seen on the horizon, and typical river vegetation can be seen in the foreground.

The words Jordan River appear in Hebrew, English and Arabic.

Hebrew: נהר הירדן

English: JORDAN RIVER

Arabic: نهر الأردن

The reverse depicts an aerial view of the Jordan river from the Sea of Galilee to the Dead Sea in the south.

Regular items also appear on the reverse: the nominal value in Hebrew and English, the emblem of the State of Israel, the mint year, the word "Israel" in Hebrew, English, and Arabic, and the mint mark.

The coin was designed by Mr. Meir Eshel, who won the design competition.

The coin was issued in December 2013 in two silver versions and one gold version.

Details: Independence Day series coin, 5774–2013, “Jordan River”

	Silver proof-like	Silver proof	Gold proof
Nominal value	NIS 1	NIS 2	NIS 10
Metal	Silver 0.925	Silver 0.925	Gold 0.917
	Copper 0.075	Copper 0.075	Copper 0.043 Silver 0.040
Weight	14.40 grams	28.80 grams	16.96 grams
Diameter	30 mm	38.7 mm	30 mm
Edge	Smooth	Milled	Milled
Designer: Meir Eshel			
Engraving: Tidhar Dagan			
Tooling and minting: Mint of Norway			

e. Coin in the Jerusalem of Gold bullion series, 5773–2013 – The Shrine of the Book

The fourth coin in the Jerusalem of Gold bullion series is dedicated to the Shrine of the Book. The coin has a NIS 20 nominal value, and contains one ounce (31.1035 grams) of fine gold (.9999).

What is a bullion coin?

A bullion coin is a gold, silver or platinum coin that contains a specific weight of precious metal (stamped on the coin face). The sale price to the public usually includes a premium lower than that applied to ordinary commemorative coins.

The Bank of Israel began issuing bullion coins, for the first time in the history of issues in Israel, in 2010. By issuing the gold bullion coins, Israel joins the ranks of important countries such as the US, Canada, the UK, Australia, South Africa, Austria, and China, all of which issue new bullion coins every year. Some of these countries change only the year of issue; others change the design of one side of the coin without changing the subject of the coin series.

In Israel, the obverse side of the coin has a permanent design throughout the entire series, depicting a roaring lion that originated in an ancient Israelite seal found in Megiddo. Also on the obverse are the emblem of the State of Israel and the word “Israel” in Hebrew, English, and Arabic.

The reverse expresses the subject of the series – Jerusalem of Gold and the design varies on each coin.

The reverse side of the fourth coin in the series depicts the Shrine of the Book, a wing of the Israel Museum, which was built with the objective of preserving the first seven of the scrolls that were discovered in Qumran in 1947. The scrolls are the most ancient evidence found of biblical text. They were all written about 2000 years ago, and include almost all of the books of the Bible. The Shrine of the Book also serves as the home of other rare and ancient writings, including the Aleppo Codex.

The white dome of the Shrine is a prominent feature of the Jerusalem skyline, and is reflected in the pool that surrounds it. The dome was built in the shape of the lid of the jars in which some of the scrolls were found, and covers a building two-thirds of which is buried underground. The entrance to the building is connected to the main hall by a passage that resembles a cave—a reminder of the cave in which the scrolls were discovered. The building was designed by American-Jewish architects Armand P. Bartum and Frederick G. Kessler, and was dedicated in 1965.

In addition to the Shrine of the Book, a segment of the Book of Isaiah in ancient Hebrew writing appears on the reverse side—as it appears in the Scroll of Isaiah. Regular items and writing also appear on the reverse side: the inscription “Jerusalem” in Hebrew, English and Arabic; the words, “1 oz. fine gold .9999” in Hebrew and English; the nominal value in Hebrew and English; the mint year; and the mint mark.

The coin was designed by Mr. Aharon Shevo (reverse) and Mr. Meir Eshel (obverse).

The coin was issued in May 2013, in one gold proof version.



Details: Jerusalem of Gold bullion series coin, 5772–2012, “The Knesset Menorah”

	BU, gold
Nominal value	NIS 20
Metal	.9999 Fine Gold
Weight	31.1035 grams
Diameter	32 mm
Edge	Smooth
Designers: Meir Eshel (obverse), Aharon Shabo (reverse)	
Engraving: Tidhar Dagan	
Tooling and minting: Mint of Finland	

G. Public Committee for the Planning of Banknotes, Coins and Commemorative Coins

a. Composition of the Committee

The Committee, which is appointed by the Governor, advises her on all matters pertaining to the subjects, motifs and design of banknotes, coins and commemorative coins. The Committee's members include experts in legal matters, archaeology, numismatics, art, education, the Bible, etc., as well as media experts, architects and designers.

The Chairman and other representatives of the Israel Coins and Medals Corporation attend Committee meetings as observers.

Serving members of the Committee in 2013 are:

Chair - retired Supreme Court Judge Jacob Turkel

Mr. Mahmud Mousa Diab

Mr. Dov Genachowski

Dr. Haim Gitler

Ms. Ilana Goor – membership ended in June 2013

Mr. David Kroyanker

Mr. Gideon Lerman

Dr. Edina Meyer

Ms. Sari Ras Birron

Prof. David Rosenthal

Ms. Gila Schakhine

Mr. Mahmud Mousa Diab passed away on September 3, 2013. He was an educator with rich experience as a teacher, principal and supervisor for the Ministry of Education at schools in the cities of Shfaram, Sakhnin and Nazareth. Alongside this, he served as a director and member of various public committees, including as a member of the Public Committee for the Planning of Banknotes, Coins and Commemorative Coins of the State of Israel from 1993 to 2013, and left his mark to the benefit of the Arab and Jewish communities as one. His intelligence, tolerance, knowledge, and the cultured discussion that he brought with him to the Committee will guide its activities for many years to come, and are a symbol of coexistence of the Jewish and Arab communities in the State of Israel.

A subcommittee consisting of certain members of the Committee operates alongside the Committee. The subcommittee assists the Currency Department in guiding the artists in the preparation of the final design of coins and banknotes, in accordance with the decisions of the Committee. The members of the subcommittee are Mr. Gideon Lerman, Dr. Haim Gitler, and Ms. Gila Schakhine.

b. The Committee's activity in 2013

In the commemorative coin sphere, the Committee recommended future issues on the following subjects:

- "Jacob's Dream" for a coin in the "Biblical Art" series;
- "Tel Hazor" for a coin in the "Heritage Sites" series;
- "The National Water System" in the "Independence Day Series" in honor of the 66th anniversary of the State of Israel;
- "The Huleh Nature Reserve" for a coin in the "Views of Israel" series.

In its function as the panel of judges for the artists' proposals, the Committee selected the winners in five competitions:

"The Jordan River" coin in the "Views of Israel" series;

The "Yad Vashem—60 Years" coin in the "Independence Day" series in honor of the 65th anniversary of the State of Israel;

"The National Water System" coin in the "Independence Day Series" in honor of the 66th anniversary of the State of Israel;

The "David Playing for Saul" coin in the "Biblical Art" series;

"The Hurva Synagogue" coin in the "Jerusalem of Gold" bullion series.

APPENDIX: STATISTICAL TABLES

Table A-1: Currency in circulation and the CPI, 1990–2013

Table A-2: Means of payment in the economy, 1990–2013

Table A-3: Banknotes in circulation by denomination, 1990–2013

Table A-4: Distribution of circulation by denomination, 1990–2013

Table A-5: Wear and tear and consumption of banknotes in circulation by denomination, 1990–2013

Table A-6: Coins in circulation by denomination, 1990–2013

Table A-7: Deposit of banknotes at the Bank of Israel, 1990–2013

Table A-8: Deposit of banknotes at the Bank of Israel as a percentage of circulation, 1990–2013

Table A-1: Currency in circulation and the CPI, 1990–2013

Year	Period end balances (NIS million, nominal)		Changes during period (percent)		
	Cash in circulation	Total banknotes	CPI	Currency in circulation	
				Real	Nominal
1990	3,280	3,109	17.6	5.1	23.6
1991	3,784	3,595	18.0	-2.3	15.4
1992	4,793	4,575	9.4	15.8	26.7
1993	5,651	5,402	11.2	6.0	17.9
1994	6,453	6,167	14.5	-0.2	14.2
1995	7,915	7,489	8.1	13.5	22.7
1996	9,220	8,722	10.6	5.3	16.5
1997	10,370	9,809	7.0	5.1	12.5
1998	11,935	11,300	8.6	6.0	15.1
1999	15,605	14,905	1.3	29.0	30.7
2000	14,659	13,911	0.0	-6.1	-6.1
2001	16,858	16,045	1.4	13.4	15.0
2002	18,009	17,160	6.5	-0.9	6.8
2003	19,137	18,240	-1.9	9.7	6.3
2004	20,783	19,817	1.2	7.3	8.6
2005	24,415	23,371	2.4	14.7	17.5
2006	25,544	24,409	-0.1	4.7	4.6
2007	28,971	27,752	3.4	9.7	13.4
2008	34,365	33,070	3.8	14.2	18.6
2009	41,495	40,112	3.9	16.2	20.7
2010*	44,833	43,365	2.7	5.2	8.00
2011	48,981	47,417	2.2	6.9	9.30
2012	54,773	53,112	1.6	10.0	11.80
2013	57,536	55,732	1.8	3.2	5.00

* On December 31, 2010, Series A banknotes and the 5 agorot coins were removed from circulation.

As of 2010, these banknotes and coins are not included in year-end circulation data.

This is true of both this table and those that follow.

SOURCE: Currency Department; CPI - Central Bureau of Statistics.

Table A-2: Means of payment in the economy, 1990–2013*

Year	M1	Cash held by public	Cash held by public as a percentage of M1
	(NIS million)		(percent)
1990	6,377	2,760	43
1991	7,292	3,231	44
1992	9,849	4,022	41
1993	12,521	4,800	38
1994	12,373	5,408	44
1995	14,425	6,644	46
1996	16,255	7,754	48
1997	18,497	8,649	47
1998	20,629	10,007	49
1999	23,601	11,049	47
2000	25,444	12,077	47
2001	29,489	14,438	49
2002	31,015	15,553	50
2003	33,373	16,511	49
2004	39,291	17,884	46
2005	48,587	20,865	43
2006	52,582	21,422	41
2007	61,866	24,586	40
2008	72,579	29,917	41
2009	110,410	35,777	32
2010	115,126	38,505	33
2011	116,638	42,932	37
2012	126,410	48,702	39
2013	146,345	50,587	35

*End of year

SOURCE: Bank of Israel.

Table A-3: Banknotes in circulation, by denomination, 1990-2013

Year	Total	NIS 200	NIS 100	NIS 50	NIS 20
Number of banknotes (millions of banknotes, year end)					
1990	54.0		12.2	31.0	10.9
1991	60.4		15.2	34.8	10.3
1992	69.3	3.7	15.2	38.7	11.7
1993	79.2	5.8	16.2	44.1	13.0
1994	88.5	7.7	17.2	48.9	14.7
1995	105.1	10.8	21.1	56.4	16.8
1996	112.1	13.1	32.4	49.6	17.0
1997	118.1	14.7	42.9	44.2	16.3
1998	132.3	16.9	53.3	44.0	18.0
1999	171.8	21.2	76.0	51.6	23.0
2000	157.7	18.9	76.0	41.6	21.2
2001	173.7	24.2	86.0	42.6	20.9
2002	181.0	27.4	91.8	41.1	20.7
2003	189.5	30.2	96.2	42.9	20.2
2004	203.6	33.4	104.8	43.6	21.8
2005	235.5	40.2	124.6	47.8	22.9
2006	241.3	44.4	127.0	46.4	23.5
2007	262.4	58.7	131.0	47.4	25.3
2008	297.2	80.7	140.0	46.0	30.6
2009	344.2	107.4	154.3	50.7	31.9
2010	357.1	128.9	144.9	47.9	35.4
2011	372.6	151.8	140.9	45.8	34.1
2012	408.0	176.5	145.7	51.1	34.7
2013	422.6	189.0	146.5	51.3	35.8
Value of the banknotes (NIS million, year end)					
1990	2,985		1,218	1,550	217
1991	3,466		1,519	1,740	207
1992	4,437	749	1,519	1,935	233
1993	5,257	1,166	1,624	2,207	260
1994	6,002	1,547	1,715	2,445	294
1995	7,419	2,151	2,111	2,822	335
1996	8,681	2,621	3,238	2,482	340
1997	9,774	2,948	4,291	2,209	325
1998	11,262	3,371	5,330	2,201	360
1999	14,874	4,231	7,601	2,581	460
2000	13,880	3,778	7,599	2,079	424
2001	15,986	4,835	8,604	2,128	419
2002	17,129	5,484	9,176	2,054	415
2003	18,209	6,040	9,620	2,145	404
2004	19,777	6,680	10,480	2,181	436
2005	23,348	8,040	12,460	2,390	458
2006	24,374	8,883	12,700	2,320	471
2007	27,723	11,748	13,100	2,370	505
2008	33,040	16,132	13,998	2,298	612
2009	40,082	21,485	15,425	2,535	637
2010	43,365	25,773	14,486	2,397	709
2011	47,417	30,356	14,090	2,288	683
2012	53,112	35,291	14,571	2,556	693
2013	55,732	37,798	14,652	2,567	716

SOURCE: This table and the following tables - Currency Department.

Table A-4: Distribution of circulation by denominations, 1990-2013

Year	Coins	NIS 200	NIS 100	NIS 50	NIS 20
Distribution of number of banknotes (year end, percent)					
1990			22.5	57.4	20.1
1991			25.1	57.6	17.1
1992		5.4	21.9	55.8	16.8
1993		7.4	20.5	55.7	16.4
1994		8.7	19.4	55.3	16.6
1995		10.2	20.1	53.7	15.9
1996		11.7	28.9	44.3	15.2
1997		12.5	36.3	37.4	13.8
1998		12.7	40.3	33.3	13.6
1999		12.3	44.2	30.0	13.4
2000		12.0	48.2	26.4	13.4
2001		13.9	49.5	24.5	12.1
2002		15.2	50.7	22.7	11.5
2003		15.9	50.8	22.6	10.7
2004		16.4	51.5	21.4	10.7
2005		17.1	52.9	20.3	9.7
2006		18.4	52.6	19.2	9.7
2007		22.4	49.9	18.1	9.6
2008		27.1	47.1	15.5	10.3
2009		31.2	44.8	14.7	9.3
2010		36.1	40.6	13.4	9.9
2011		40.7	37.8	12.3	9.2
2012		43.3	35.7	12.5	8.5
2013		44.7	34.7	12.1	8.5
Distribution of value of the circulation (percent)					
1990	4.9		38.8	49.4	6.6
1991	4.9		41.7	47.8	5.7
1992	4.5	14.1	32.7	41.7	5.0
1993	4.4	21.2	29.5	40.1	4.7
1994	4.4	24.6	27.3	38.9	4.7
1995	5.4	27.4	26.9	36.0	4.3
1996	5.4	28.6	35.3	27.0	3.7
1997	5.4	28.5	41.5	21.4	3.1
1998	5.3	28.3	44.8	18.5	3.0
1999	4.4	27.2	48.9	16.6	3.0
2000	5.1	25.8	52.0	14.2	2.9
2001	4.8	28.8	51.2	12.7	2.5
2002	4.7	30.5	51.1	11.4	2.3
2003	4.7	31.6	50.4	11.2	2.1
2004	4.6	32.2	50.5	10.5	2.1
2005	4.3	32.9	51.1	9.8	1.9
2006	4.4	34.9	49.8	9.1	1.8
2007	4.2	40.6	45.3	8.2	1.7
2008	3.7	47.0	40.8	6.7	1.8
2009	3.3	51.8	37.2	6.1	1.5
2010	3.3	57.5	32.3	5.3	1.6
2011	3.2	62.0	28.8	4.7	1.4
2012	3.0	64.4	26.6	4.7	1.3
2013	3.1	65.7	25.5	4.5	1.2

Table A-5: Wear and tear and consumption of banknotes in circulation by denomination, 1990-2013^a

Year	Total	NIS 200	NIS 100	NIS 50	NIS 20
Consumption (millions of banknotes)					
1990	27.9		5.2	13.0	9.8
1991	27.2		5.9	12.5	8.8
1992	34.0	3.8	3.0	15.1	12.1
1993	35.4	2.2	3.7	18.1	11.4
1994	42.8	2.3	4.7	23.6	12.1
1995	53.6	3.8	8.1	25.2	16.5
1996	45.5	3.7	16.0	9.9	15.8
1997	36.8	3.0	16.3	6.4	11.0
1998	53.7	3.8	20.4	12.5	16.9
1999	61.5	6.3	24.8	23.9	6.5
2000	49.2	9.3	13.6	13.3	13.0
2001	60.8	6.5	24.2	17.1	13.0
2002	57.9	4.1	24.0	17.1	12.7
2003	63.8	3.9	25.5	23.0	11.4
2004	76.9	5.5	33.2	23.3	14.9
2005	89.5	9.6	42.9	23.2	13.9
2006	94.6	11.7	44.0	24.2	14.7
2007	102.2	24.2	43.1	21.2	13.7
2008	120.6	32.7	40.6	22.6	24.7
2009	98.8	34.6	33.5	25.4	5.3
2010	101.1	34.8	25.3	30.7	10.3
2011	89.9	36.8	26.5	21.8	4.8
2012	116.9	38.8	36.9	30.3	10.9
2013	51.1	20.7	12.3	10.9	7.2
Wear and tear (millions of banknotes)					
1990	36.3		2.6	7.3	9.4
1991	30.1		2.9	8.2	9.0
1992	38.9	0.0	3.1	11.5	10.9
1993	32.4	1.0	2.8	13.1	10.0
1994	42.1	5.0	4.0	19.5	11.2
1995	37.2	0.9	4.2	17.7	14.4
1996	38.6	1.4	4.8	16.7	15.7
1997	30.9	1.4	5.8	11.9	11.8
1998	39.6	1.7	10.0	12.7	15.2
1999	22.0	2.0	2.2	16.3	1.5
2000	27.8	0.3	7.4	6.3	13.8
2001	42.7	0.7	13.7	15.5	12.8
2002	50.5	0.6	18.3	18.5	13.1
2003	55.5	1.1	21	21.2	12.2
2004	62.6	2.2	24.6	22.5	13.3
2005	57.7	2.8	23.0	19.0	12.8
2006	88.5	7.4	41.5	25.6	14.0
2007	81.1	9.9	39.1	20.2	11.9
2008	85.7	10.8	31.6	24.0	19.4
2009	51.7	7.8	19.2	20.7	4.0
2010	84.4	13.2	34.2	32.1	4.9
2011	75.0	14.3	30.9	23.8	6.0
2012	81.5	14.1	32.1	25.0	10.3
2013	36.5	8.2	11.5	10.7	6.1

^a Data on consumption and wear and tear include series A banknotes until and including 2010.

Table A-6: Coins in circulation by denomination, 1990-2013

(Year end, millions of coins)

Year	Total	NIS 10	NIS 5	NIS 2	NIS 1	NIS 0.5	10 agorot	5 agorot
1990	354.0		9.7		75.0	27.7	164.4	77.2
1991	398.0		12.0		86.0	30.0	185.0	85.0
1992	456.5		14.0		99.0	36.7	211.0	95.8
1993	533.3		15.9		115.1	37.1	260.8	104.4
1994	588.4		18.6		134.5	43.7	278.2	113.4
1995	668.5	9.01	20.5		148.1	51.5	316.8	120.7
1996	745.6	14.9	22.7		163.6	53.6	361.4	129.4
1997	817.9	17.4	25.6		178.7	61.7	396.4	138.1
1998	898.4	20.2	29.0		196.2	67.9	437.6	147.5
1999	983.6	22.6	32.0		215.5	70.6	486.3	156.6
2000	1,070.5	24.2	33.9		230.6	73.7	544.4	163.6
2001	1,149.6	26.7	37.1		247.2	79.9	588.3	170.3
2002	1,194.0	27.8	38.1		261.8	85.0	604.0	177.2
2003	1,249.3	30.0	39.7		274.0	88.8	633.3	183.5
2004	1,330.3	32.9	42.4		294.7	93.9	676.6	189.9
2005	1,422.7	36.2	45.1		317.8	99.9	724.3	199.4
2006	1,523.1	39.8	49.1		343.8	106.6	775.0	208.9
2007	1,612.6	42.9	51.5	3.6	368.4	112.4	821.1	216.2
2008	1,692.7	45.2	52.9	22.7	368.6	117.3	879.8	206.2
2009	1,762.8	48.6	55.9	35.0	376.1	121.5	923.2	202.5
2010	1,659.2	52.4	60.0	40.6	391.9	129.2	985.0	
2011	1740.5	56.6	63.7	43.9	411.4	141.4	1023.4	
2012	1867.4	60.4	67.2	49.8	431.9	140.6	1117.4	
2013	1995.7	66.9	73.0	56.8	454.5	148.4	1196.1	

^a The 5 agorot coin was taken out of circulation at the end of 2010.

Table A-7: Deposit of banknotes at the Bank of Israel, 1990-2013^a

Year	Total value of deposits	Total	NIS 200	NIS 100	NIS 50	NIS 20
	(NIS million)		(thousands of banknotes)			
1990	3,747	83,352		9,871	43,021	30,460
1991	4,444	91,232		12,245	54,667	24,320
1992	5,110	98,914	1,435	12,973	61,171	23,335
1993	5,911	110,719	3,382	12,657	69,164	25,516
1994	6,936	124,743	4,874	14,507	80,123	25,239
1995	8,109	145,180	6,356	16,473	91,434	30,917
1996	10,277	178,055	8,344	30,436	92,628	46,647
1997	11,489	170,280	10,670	47,579	78,555	33,476
1998	11,898	163,969	10,977	58,458	65,536	28,998
1999	17,161	215,715	15,869	94,910	79,918	25,018
2000	18,637	225,548	22,239	96,408	80,346	26,556
2001	15,355	193,725	12,374	90,648	66,707	23,995
2002	16,485	201,475	14,533	98,891	64,269	23,783
2003	16,650	200,118	15,785	97,509	66,857	19,967
2004	14,409	174,206	13,708	83,972	57,994	18,533
2005	13,352	160,642	12,476	80,189	49,271	18,705
2006	17,429	198,467	17,105	109,687	53,514	18,160
2007	16,085	172,549	23,455	88,554	44,249	16,291
2008	16,005	175,159	26,696	78,434	47,560	22,470
2009	13,366	134,279	27,393	57,939	37,152	11,795
2010	11,712	114,780	24,755	48,311	36,531	5,183
2011	10,466	103,496	23,762	40,122	30,319	9,293
2012	10,360	103,754	24,233	38,517	28,072	12,933
2013	13,204	128,845	33,422	46,483	29,761	19,179

^a Data on deposits include series A banknotes until and including 2010.

Table A-8: Deposit of banknotes at the Bank of Israel as a percentage of circulation,^a 1990-2013

(percent)				
Year	NIS 200	NIS 100	NIS 50	NIS 20
1990		7.9	13.1	24.0
1991		7.0	13.3	18.9
1992	5.3	7.2	13.8	17.5
1993	6.0	6.9	14.1	17.3
1994	5.9	7.2	14.2	14.8
1995	5.9	7.3	14.2	16.3
1996	5.8	9.2	14.5	20.4
1997	6.4	10.4	14.0	17.0
1998	5.8	10.1	12.6	14.3
1999	8.1	13.1	15.9	10.5
2000	11.1	11.7	16.3	10.7
2001	4.8	9.3	13.3	9.8
2002	4.5	8.8	12.6	9.5
2003	4.5	8.5	13.0	8.4
2004	3.5	6.8	11.1	7.5
2005	2.8	5.8	9.2	7.1
2006	3.4	7.1	9.3	6.7
2007	3.7	5.8	7.7	5.8
2008	3.3	4.9	8.2	6.5
2009	2.4	3.2	6.5	3.2
2010	1.7	2.6	6.0	1.3
2011	1.4	2.4	5.5	2.2
2012	1.2	2.2	4.8	3.2
2013	1.5	2.6	4.7	4.5

^a Calculated as an annual average of deposits as a percentage of circulation at the end of each month