

BANK OF ISRAEL

Office of the Spokesperson and Economic Information

Press release

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**Remarks by the Supervisor of Banks at the annual update meeting on the “Financial Availability Covenant”**

At the beginnings of his remarks at the annual Financial Availability Covenant conference, Supervisor of Banks Yair Avidan discussed the collapse of Silicon Valley Bank:

“We are closely examining the case, and monitoring both the immediate developments and those that may come in any “following waves” that may take place. We are also participating in an interministerial team that the Ministry of Finance has established to monitor and analyze developments and formulate a response should one be necessary.

This unfortunate case provides an important opportunity to emphasize what many have taken for granted, and which for us at the Bank of Israel is our “daily bread” – ensuring the stability and strength of the Israeli financial system, and of the banking system that forms its major component, which the Banking Supervision Department closely supervises.

It is that stability of the banks and credit card companies, and their responsible behavior, that has greatly helped the Israeli economy overcome significant economic crises. We constantly test the banking system’s preparedness to overcome challenging economic scenarios using various stress tests, ensuring meticulous asset and liability management (ALM) that is adapted to the changing economic environment, maintaining proper liquidity levels, and more.

With your permission, I would now like to discuss the reason we have come together today:

I am very excited to open the Banking Supervision Department’s seventh annual conference on the “Financial Availability Covenant”.

First, I would like to thank the management of the First International Bank for generously hosting this conference.

Following two annual meetings held online due to the COVID-19 pandemic, it is nice to meet here again in person.

This time, we have the opportunity to meet the wonderful people who are working tirelessly, devotedly, and persistently to help those who have been victimized by family violence, with the common objectives of mitigating economic violence and helping to rehabilitate those who have suffered from its abuses, while supporting them as they embark on new paths and independent lives.

On a personal level, this will be the final conference on the Covenant in which I participate as the Supervisor of Banks. I have taken on my role out of a sense of public mission, and I have set the goal of moving the banking system to take on a more significant role in Israel’s socioeconomic fabric, in order to lead us to a better society. The Banking Supervision Department expects the banking corporations to be fully involved and socially responsible, and to think about and deal with weighty issues relating to the future of society. This expectation is realized partly through the welcome activity as part of the Covenant, in which the banking system is enlisted to help victims of violence by providing broad, immediate, and fully available assistance together with a strong desire to find creative solutions to ease the victims’ situations.

The Covenant, which was launched in 2016, is a voluntary charter that aims to help victims of violence. The Covenant has been joined by the Association of Banks in Israel, the banks themselves, the credit card companies, the Postal Bank, social organizations, and the Enforcement and Collections Authority. As part of the Covenant, victims of violence have access to financial solutions that are adapted to their needs, with the aim of helping them overcome the crisis they have experienced and embark on a new and independent financial path. The assistance is currently provided to women in shelters and half-way houses, to those receiving assistance at all family violence prevention and treatment centers throughout Israel, and to woman who lack status.

Since the Charter was launched, approximately 2,115 women have received assistance in dealing with economic violence in a variety of ways: opening a new account, debt arrangements and clarification of liens, freezing mortgages, requests to exit a joint account and deletion of account holders from the account, cancellation of credit cards, and more.

After more than seven years of activity within the Covenant, I can state with satisfaction that the Covenant provides a tangible and effective answer that is enveloped in sensitivity. In addition, the involvement of all financial institutions is worthy of tremendous appreciation.

Today, I am excited to announce a further expansion of the Covenant, this time to provide assistance to people who are in the process of leaving the cycle of prostitution. This expansion is being made with the understanding that the financial state of people in this population group has a tremendous impact on the success of their rehabilitation.

Recognition of the complex state and unique needs of prostitution survivors will help financial institution employees view them as people at a crossroads in their lives, act toward them with extra sensitivity, and help them make changes in their financial conduct from unregulated behavior that leads to the accumulation of debts to a controlled and planned exit from such a state, while providing access to all services and assistance in maximizing their rights.

I would like to conclude by saying thank you to all those who are participating in this important work:

**The managers and employees of the financial institutions** – Your ability to combine professionalism as bankers with compassion and a desire to help those in need is the main factor in the success of the activity under the Covenant.

**Our partners at the Ministry of Welfare** – We deeply appreciate your cooperation and tremendous efforts in recent months to promote the Covenant and implement it at all centers and shelters. I would like to thank Mali Orgad, Tali Rosenfelder, Shlomit Birenbaum, and Reut Lugassi.

**The directors and staffs of the centers and shelters** – I would like to thank you for your intensive and significant daily work, and strengthen your efforts on behalf of the well-being of those victimized by violence and their children, who are dealing with an unbearable reality.

**The Association of Banks in Israel** and its director, Eitan Madmon, for your resolute support of the Covenant, and to Tibi Rabinovich for your constant thought and action to advance the implementation and expansion of the Covenant in the financial system.

**The Ruach Nashit organization** for its ongoing intensive efforts to implement the Covenant at the family violence prevention and treatment centers in the community.

I would also like to thank **Aviva Gabbay, head of the “debtor-in-distress” field** at the Enforcement and Collections Authority, who helps find appropriate solutions for complex cases.

I would also like to thank and show my appreciation for the other social organizations who participate in helping those victimized by violence embark on a new economic path.

Thank you to the **members of the special team set up by the Bank of Israel,** at the initiative of Bank of Israel Spokesperson Uri Barazni, to provide focused assistance and formulate measures to help women break the cycle of prostitution.

Thank you also to our new partners, **Adv. Osnat Hitron, Or Abu, and Michal Ilam**, for helping define the financial needs of prostitution survivors and for formulating the expansion of the Covenant to help them.

And of course, thank you to the **Banking Supervision Department staff**, for leading this important work and for organizing this meeting.

I wish everyone a productive and enriching meeting.