



BANK OF ISRAEL
Office of the Spokesperson and Economic Information

Press Release

January 2, 2014

**The Semiannual Report on Banking Service Fees was presented today to the Knesset
Economic Affairs Committee**

The Supervisor of Banks, David Zaken, today (January 2, 2014) presented the Semiannual Report on Households' Banking Service Fees to the Knesset Economic Affairs Committee. The report is based on reports by the banks and credit card companies of actual revenue from fees they collected in the first half of 2013.

The main points of the report:

- During the first half of 2013, the average monthly cost for a current account for households in the banking system¹, based on a standard activity profile², totaled approximately NIS 13.9, a decline of about 2.6 percent from the full year of 2012.

A comparison by a standard activity profile in a current account (teller-executed and customer-executed transactions) reveals wide variance among the banks:

- In the banking system at large, Bank Yahav is the least expensive (with a monthly cost of approximately NIS 6.1³) by a significant margin. At the other extreme, Mercantile Bank (with a monthly cost of approximately NIS 21.4) and Arab-Israel Bank (with a monthly cost of approximately NIS 19.5) are the most expensive.

¹ Excluding the Bank of Jerusalem and U-Bank.

² A profile of monthly activity for an active household account, based on 10 customer-executed transactions and 0.7 teller-executed transactions. It excludes completion to a minimum fee, since there are many customers who are exempt from this fee. See also footnote 6.

³ Bank Yahav data is based on its December 31st, 2012 report.

- Among the five major banks, Bank Hapoalim is the least expensive (monthly cost of approximately NIS 12.0) and First International Bank is the most expensive (monthly cost of approximately NIS 16.2).
- In the first half of 2013, the average actual monthly expenditure for common current account services for households in the banking system⁴ amounted to approximately NIS 13.5, a decline of about 2.3 percent compared with the full year of 2012.

Comparison between banks:

- In the banking system at large, the average monthly expenditure for an account at Bank Yahav is the least expensive (approximately NIS 2.7), while it is most expensive at Poaley Agudat Israel (PAGI) (approximately NIS 25.3).
- Among the five major banks, the average monthly expenditure for an account is least expensive at Discount Bank (approximately NIS 12.7), and most expensive at First International Bank (approximately NIS 16.8).
- During the first half of 2013, the average actual monthly expenditure of holding a domestic, international, or gold credit card in the banking system amounted to approximately NIS 6.8, similar to the full year of 2012.

Wide variance was also seen in relation to the actual fees for holding a credit card: In terms of the average monthly cost per card for holding a domestic, international, or gold card, Isracard was least expensive (approximately NIS 4.7) and ICC–Cal (Cartisey Ashrai Le’Israel) was the most expensive (approximately NIS 9.5).

⁴ Common current account services for households are teller-executed transactions, customer-executed transactions, completion to a minimum fee, and granting of credit.

Developments after June 30, 2013:

- On August 1, 2013, Arab-Israel Bank reduced its customer-executed transaction fee from NIS 1.95 per transaction to NIS 1.65 per transaction.
- On April 1, 2014, an amendment to the Banking (Customer Service) (Fees) Regulations, 5768–2008, regarding service tracks (uniform baskets), is expected to come into effect.

The Bank of Israel urges the public to examine and compare the terms offered by the various banks and has made a variety of tools available to consumers on its website, including savings tips, calculators, and comparative tables:

<http://www.boi.org.il/en/ConsumerInformation/Pages/Default.aspx>

Management of a current account

Comparison of Common Current Account Fees⁵ (NIS)

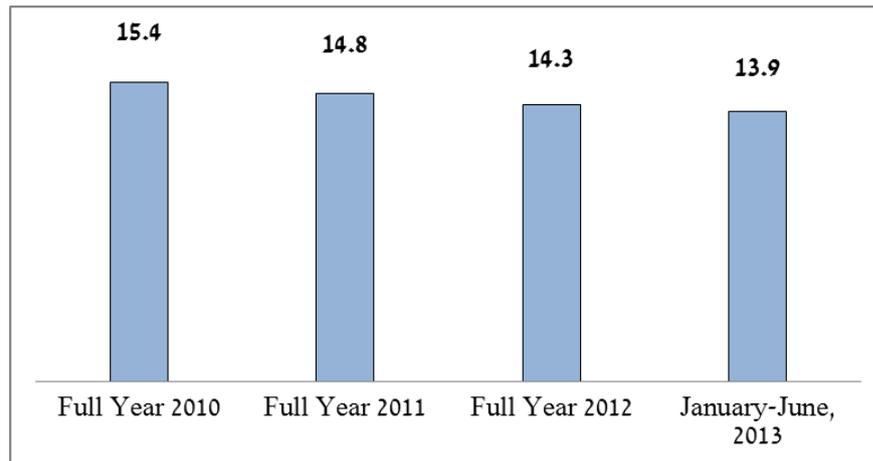
	Hapoalim	Leumi	Discount	Mizrahi	First Int'l	Union	Mercantile	Otsar Hahayal	Massad	Yahav	PAGI	Arab-Israel
Customer-executed transaction	1.35	1.65	1.85	1.76	1.80	2.90	2.00	2.50	2.50	1.20	2.50	1.65
Teller-executed transaction	6.50	5.50	5.90	6.80	6.30	5.90	6.40	6.90	7.50	4.00	6.50	5.50
Minimum monthly fee ⁶	13.00	11.00	11.80	13.60	12.60	11.80	12.80	13.80	15.00	8.00	13.00	11.00

⁵ Data are updated as of the report date, January 2, 2014.

⁶ Beginning April 1, 2014, the minimum monthly fee will be set at the cost of 1 teller-executed transaction.

1. Average monthly cost of maintaining a current account for households, according to a standard activity profile:⁷

Development of Average Monthly Household Cost of Maintaining a Current Account in the Banking System, according to a Standard Activity Profile, 2010–June 2013



- During the first half of 2013, the average monthly cost for a current account for households in the banking system, based on a standard activity profile, totaled approximately NIS 13.9, a decline of about 2.6 percent from the full year of 2012.
- In the banking system at large, Bank Yahav is the least expensive (with an average monthly cost of approximately NIS 6.1⁸), and it is about 70 percent lower than the cost at the most expensive ones, Mercantile Bank (with an average monthly cost of approximately NIS 21.4) and Arab-Israel Bank (with an average monthly cost of approximately NIS 19.5).
- Among the five major banks, Bank Hapoalim is the least expensive (with an average monthly cost of approximately NIS 12.0) and First International Bank

⁷ The profile of monthly activity for an active account of a household is based on 10 customer-executed transactions and 0.7 teller-executed transactions, without taking into account a minimum fee (since there are many customers who are exempt from this fee). If a minimum fee is applicable in the standard profile, it applies only in the cases of Bank Yahav, Bank Massad, Bank Otsar Hahayal, and Bank Hapoalim. The cost of activity in the standard profile when taking into account completion to a minimum fee is NIS 8 at Bank Yahav, NIS 15 at Bank Massad, NIS 13.8 at Bank Otsar Hahayal and NIS 13 at Bank Hapoalim.

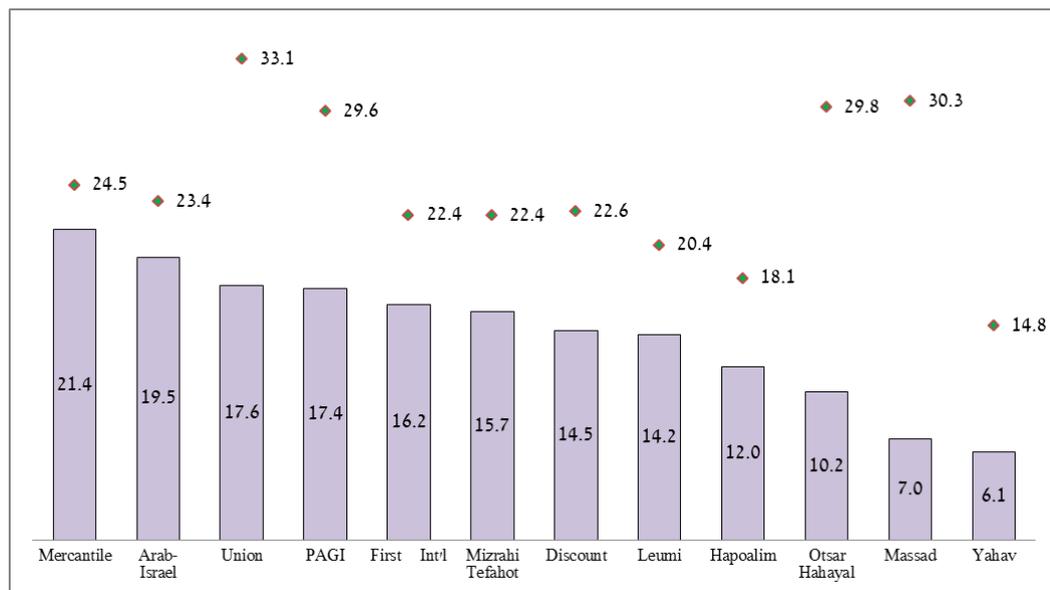
⁸ Bank Yahav data is based on its December 31st, 2012 report.

is the most expensive (with an average monthly cost of approximately NIS 16.2).

- In the comparison of cost based on the fee schedule for a standard activity profile, Bank Yahav proves to be least expensive and Union Bank the most expensive. Bank Yahav, Bank Massad, and Otsar Hahayal Bank had the greatest difference between the fee schedule cost and actual cost, which derive, for the most part, from discounts and benefits provided to specific population groups.

Comparison of Average Monthly Cost of a Household Current Account in the Banking System, according to Standard Activity Profile, First Half of 2013

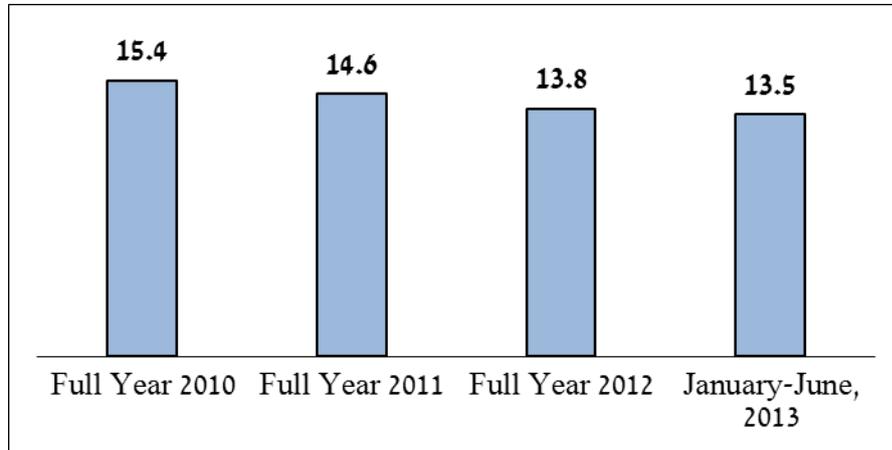
(Fee schedule vs. actual fees)



2. The average actual monthly household expenditure for current account services at banking corporations:⁹

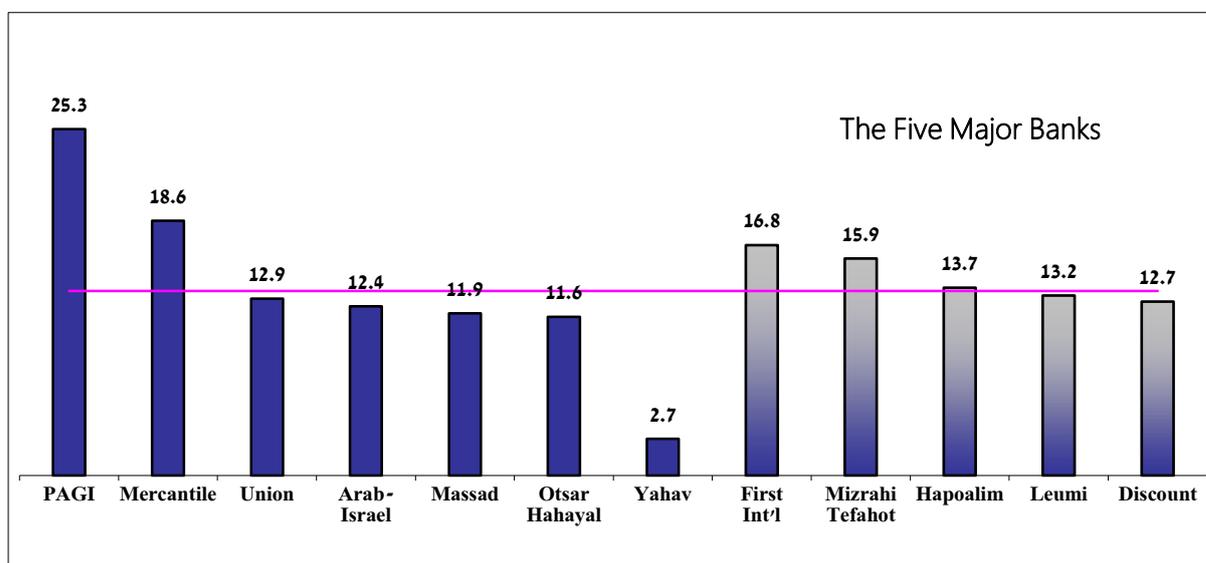
⁹ Common household current account services are teller-executed transactions, customer-executed transactions, completion to a minimum fee, and granting of credit.

Development of Monthly Average Actual Household Expenditure on Common Current Account Services (including Credit Facility) in the Banking System, 2010–June 2013



- During the first half of 2013, the average actual monthly expenditure on common current account services in the banking system totaled approximately NIS 13.5, a decline of about 2.3 percent compared with the full year of 2012.
- In the banking system at large, the average monthly expenditure for an account at Bank Yahav was the least expensive (approximately NIS 2.7), and was the most expensive at PAGI (approximately NIS 25.3).
- Among the five major banks, the least expensive average monthly expenditure for an account was at Discount Bank (approximately NIS 12.7), and the most expensive was at First International Bank (approximately NIS 16.8).

**Monthly Average Household Expenditure on Common
Current Account Services (including Credit Facility) in the Banking System, First
Half of 2013**



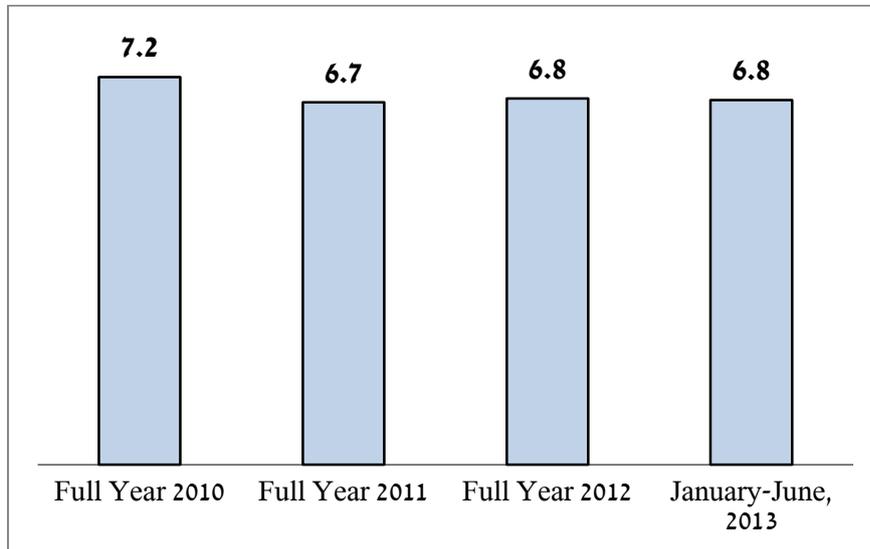
----- Weighted Average

Cost of owning a credit card:

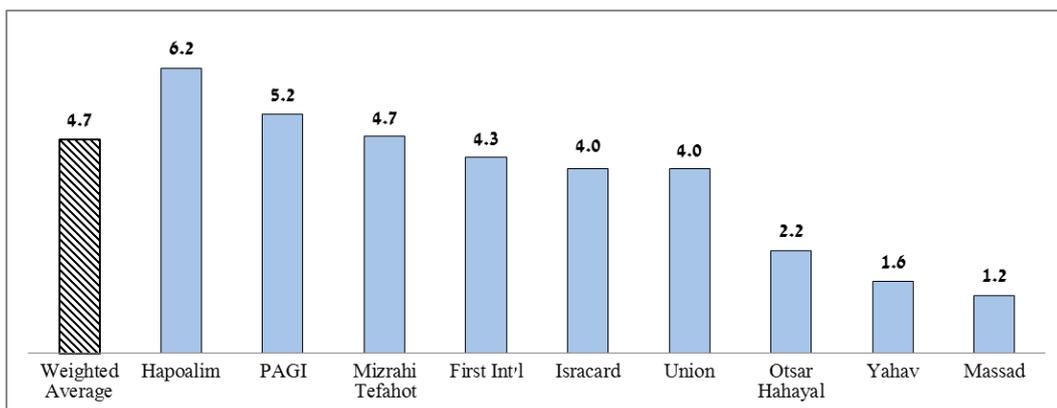
3. The average actual monthly expenditure for holding a credit card (domestic, international, and gold) declined:

- During the first half of 2013, the average actual monthly expenditure for holding a credit card (domestic, international, and gold) in the banking system was approximately NIS 6.8, similar to the full year of 2012.
- The average monthly expenditure for holding an Isracard credit card (about 37 percent of all cards countrywide) was approximately NIS 4.7; for holding a Leumi Card (about 32 percent of all cards) it was approximately NIS 6.7; and for holding an ICC–Cal (Cartisey Ashrai Le’Israel) card (about 31 percent of all cards) it was approximately NIS 9.5.

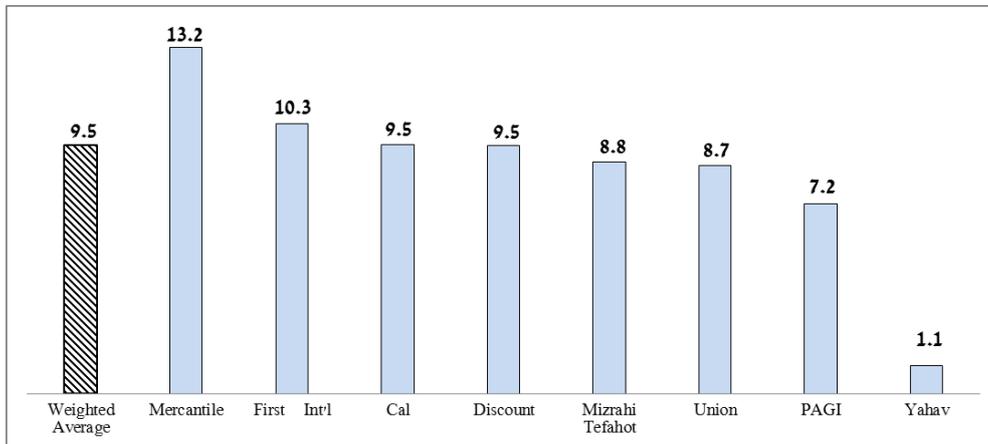
Development of the Average Actual Monthly Expenditure of Holding a Credit Card (Domestic, International, and Gold) in the Banking System, 2010–June 2013



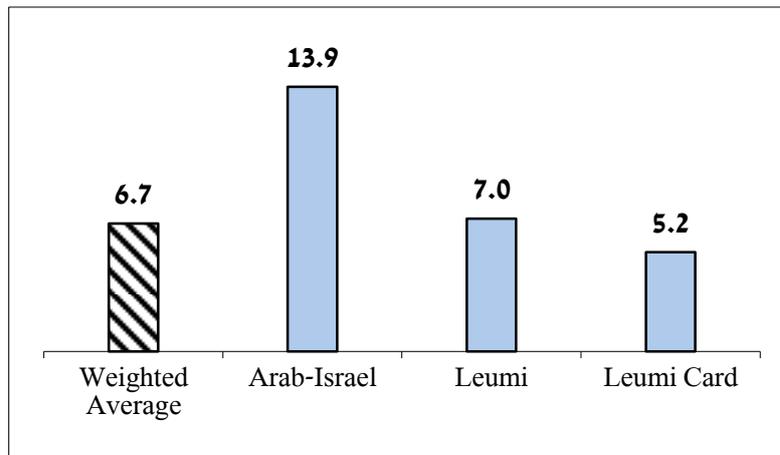
Average Monthly Expenditure for Holding an Isracard Credit Card, by Issuer, in the Banking System, First Half of 2013



**Average Monthly Expenditure for Holding an ICC–Cal (Cartisey Ashrai Le’Israel)
Credit Card, by Issuer, in the Banking System, First Half of 2013**



**Average Monthly Expenditure for Holding a Leumi Card Credit Card, by Issuer, in
the Banking System, First Half of 2013**



Activity in securities traded in Israel¹⁰:

4. A comparison of commissions on purchase, sale, and maturity of securities¹¹ traded in Israel indicated that there is considerable variance and wide gaps between the banks. In the banking system at large, the commission rate per transaction was the lowest at Discount Bank and at Mercantile Bank (0.54 percent per transaction), and was most expensive at Bank Massad (0.78 percent per transaction).

Comparison of commissions for the purchase, sale, and maturity of securities traded in Israel—stocks and bonds

	Hapoalim	Leumi	Discount	Mizrahi	First Int'l	Union	Mercantile	Otsar Hahayal	Massad	Yahav	PAGI	Arab-Israel
Rate per transaction	0.60	0.65	0.54	0.64	0.64	0.6	0.54	0.75	0.78	0.55	0.64	0.65
Minimum per transaction (NIS)	26	27	35	50	40	30	35	40	40	32	40	27

5. A comparison of securities deposit management fees for securities traded in Israel¹² indicates that there are appreciable differences in fee rates between banks. For the banking system at large, the least expensive management fee is at Bank Yahav, and among the five major banks, it is at Bank Leumi and at Bank Hapoalim.

Comparison of securities deposit management fees for securities traded in Israel, per year

	Hapoalim	Leumi	Discount	Mizrahi	First Int'l	Union	Mercantile	Otsar Hahayal	Massad	Yahav	PAGI	Arab-Israel
Fee, by percent	0.6%	0.6%	0.8%	0.7%	0.78%	0.6%	0.8%	0.78%	0.8%	0.56%	0.78%	0.6%

¹⁰ Data are updated as of the report date, January 2, 2014.

¹¹ Stocks and bonds.

¹² A securities deposit management fee is collected for various services provided in managing a security deposit—such as operating information technology and information security system, monitoring Stock Exchange notices, reporting to customers and receiving responses, monitoring changes in corporate equity and reporting to the customer, issuing authorizations of ownership in order to participate in company meetings, monitoring policy changes at mutual funds, and distributing dividends and preferred shares.

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The Banking Supervision Department urges the public to make use of the comparisons presented here, the calculators, the useful information, the savings tips, and the other comparisons found on the Bank of Israel's website at <http://www.boi.org.il/en/ConsumerInformation/Pages/Default.aspx> in order to examine the terms offered by the various banks, conduct negotiations with a bank or credit card company, and to make decisions regarding the bank where it is most worthwhile for them to manage their account.