

**Banking Supervision Department
Supervisor's office**

Jerusalem
June 19, 2025
25LM5469

To: The banking corporations and credit card companies

Re: Banking Supervision Department emphases to the banking system due to Operation "Rising Lion"

On October 12, 2023, a letter from the Supervisor of Banks was published on the issue of the Banking Supervision Department's points of emphasis to the banking system due to the Swords of Iron War, which carried messages and expectations regarding the severe events that shook the State of Israel at that time.

At this time, due to the start of Operation "Rising Lion", a level 4 state of emergency on the home front was declared, in parallel with the continuation of the Swords of Iron War. As of the date of this letter, the state of emergency is expected to last until June 30, 2025.

The banking system has an essential function in the economy and for the Israeli public in a state of emergency, and therefore I want to reiterate and clarify the expectations and messages that are intended to ensure the continuity of valid services and support for customers vis-à-vis the unique difficulties they are facing. This, while placing an emphasis and displaying enhanced sensitivity for customers that suffered harm to their body or property across the country, customers whose businesses were adversely impacted, customers who have been called up to reserves duty, and customers whose return to Israel is delayed for an unknown length of time, and with the continuation of proper risk management.

Within this framework I would like to commend the banking corporations and credit card companies, which rapidly adopted significant actions to benefit their customers in view of the situation and that are taking care to continue providing consistent service via various channels. The corporations adopted additional activities with the outbreak of the events such as establishing a designated page on their website that makes relevant information accessible, setting up designated hotlines for dealing with the unique difficulties their customers are facing, and suggesting specific solutions for those customers. I encourage the banking system to continue to adopt a proactive and sensitive approach in identifying the difficulties that arise from what is going on, in finding solution and providing reliefs, to the extent possible, to customers in distress. In this regard, recall the framework for financial relief that the Bank of Israel formulated and that began to operate on April 1, 2025, as part of which the banks provide relief and benefit to their customers.

In parallel with the framework for financial relief due to the events, the Bank of Israel has formulated an additional framework that the banks have adopted, which includes relief and

additional assistance steps that will focus on customers who have been negatively impacted by the events.

Following are several emphases that the banking system should emphasize in its work:

1. Availability and consistency of banking services

Customer services should be maintained and remain available to the extent possible, in accordance with Home Front Command guidelines and current limitations. Where service provision is not feasible, efforts must be made to establish appropriate alternatives tailored to customers' needs and characteristics.

Up-to-date information regarding available services must be published across multiple channels, including the location of open branches, operating hours of branches and call centers including emergency hotlines, with an emphasis on enhancing dedicated and accessible service for customers whose return to Israel is delayed. All relevant information that may assist customers in obtaining services and performing banking transactions should be made easily accessible, prominently displayed, and disseminated through all relevant platforms—such as a dedicated webpage, mobile application, SMS updates, customer service hotlines, and similar channels.

2. Handling, assistance, and response to customer enquiries in view of the operation, with an emphasis on urgent and humanitarian enquiries

The banking system is requested to act with heightened sensitivity, particularly in relation to customers who have suffered personal injury or property damage, or who have been evacuated from their homes. They should also consider how best to provide assistance and ease their day-to-day financial conduct, exercising discretion and adapting to each customer's specific circumstances.

3. Assistance to customers whose return to Israel is delayed due to the situation

The banking system is requested to show understanding toward customers unable to return from abroad as a result of the current situation. Appropriate support measures should be taken in response to needs arising on the ground. These may include considering increases to credit limits, reducing costs associated with foreign currency transactions, and assisting with any operational difficulties in accessing banking services.

4. Easing the burden and assisting customers in meeting their obligations

In addition to the assistance framework established by the Bank of Israel, the banking sector is requested to continue advancing initiatives aimed at easing the financial burden on customers—especially those affected by the current situation, including individuals who have been injured or evacuated, reservists and their families, and small businesses that have closed or are operating at reduced capacity. The banking system should provide support that enables customers to meet their financial obligations, including payments to third parties.

In this context, banks are encouraged to consider offering appropriate relief measures, such as:

- Freezing collection procedures during this period
- Waiving fees where appropriate, based on individual circumstances
- Allowing early withdrawal of deposits with reduced associated costs

5. Checks

In addition to the mechanism set out in Section 7a of the Checks Without Cover Law, 5741-1981—which requires banks to alert customers of the risk of insufficient funds and to provide a grace period to cover the shortfall—banks are expected to act with sensitivity and proactively assist customers in avoiding checks lacking cover during the check clearing period.

The Bank of Israel is also monitoring data on check clearing and returned checks and is continuously evaluating whether to recommend actions under the law to provide relief to customers who have unexpectedly found themselves in financial distress. The goal is to strike a balance between preventing further deterioration of customers' financial situations and safeguarding the rights of beneficiaries and the integrity of the check payment system.

6. Branch activity in times of emergency

The Banking Supervision Department has issued a directive requiring the banking system to open, at a minimum, its core branches—representing 25 percent of all branches, with appropriate geographic distribution. Banks with difficulties in meeting this requirement must report the gap to the Banking Supervision Department.

The list of open branches and operational ATMs must be published across various media, as detailed in Section 1 above.

7. Distribution of allowances

If the current situation persists, the banking system is requested to prepare solutions for the general public arriving at bank branches on allowance distribution days to withdraw their benefits. Banks should offer alternative methods for accessing these funds, bearing in mind that certain branches in specific areas may be closed or operating on a limited basis in accordance with official guidelines.

To this end, banks are expected to utilize all available resources, including the deployment of mobile branches located in protected sites, to serve their customers.

8. Phone service for customers

The Banking Supervision Department recognizes the considerable importance of providing customer support via telephone and other available channels—particularly during this time—while also recognizing the operational challenges faced by the banking system in delivering standard levels of service through call centers.

The supervisory expectation is that maximum efforts will be made to offer the highest level of service possible, given the prevailing circumstances and each institution's capabilities.

Accordingly, every banking corporation that has not yet done so is expected to consider establishing a dedicated emergency hotline or a specialized call-routing system to prioritize urgent customer inquiries arising from the current situation.

9. Cyber and customer fraud aspects

The banking system must prepare for a potential increase in cyberattack attempts. As part of this preparedness, institutions should enhance their vigilance, readiness, and organizational resilience to effectively respond to such events. This includes ensuring continuity, backup systems, and redundancy in security and control infrastructures, in order to prevent attacks as much as possible, enable early detection of emerging threats, and ensure swift, organization-wide response capabilities. In addition, efforts should be made to raise awareness among employees and customers, including by proactively disseminating alerts and public notices. Continuous monitoring of unusual or anomalous activity in accounts and payment methods is also required, due to heightened concerns about increased fraud attempts.

10. Risk management assessment

The banking system is required to examine enhanced monitoring of all risk exposures, including operational, capital, liquidity, and credit risks. This includes adjusting policies and risk models to reflect more severe stress scenarios, and evaluating the adequacy of required liquidity levels. In addition, you are requested to reevaluate the effectiveness of your risk management tools and mechanisms, reinforcing oversight, governance, audit, and control processes across all core areas of activity.

11. Reporting in times of emergency

The Banking Supervision Department partially implemented the reporting requirements for special situations. This assists the Department to analyze the situation, make decisions accordingly and provide a response to customer enquiries.

12. Board of Directors discussions

In view of the changes deriving from the complex security situation, you are requested to conduct discussions on the framework of preparing for the current situation. They are to relate to, among other things, the issues noted above.

Sincerely,

Daniel Hahiashvili
Supervisor of Banks