

Table 1.17
Fees and other income, and operating expenses, the five major banking groups, 2010 to 2012

	Amounts			Distribution			Changes compared with previous year	
	2010	2011	2012	2010	2011	2012	2011	2012
	(NIS million, current prices)			(Percent)			(Percent)	
1 Fees and other income								
Income from banking services								
Account management	3,053	3,036	3069	19.7	20.0	20	-0.6	1.1
Credit cards	3,414	3,568	3617	22.1	23.5	23.6	4.5	1.4
Credit services and contracts	1,202	1,224	1290	7.8	8.1	8.4	1.8	5.4
Foreign trade activity and special services	388	383	392	2.5	2.5	2.6	-1.3	2.4
Other fees ^a	1,529	1,486	1478	9.9	9.8	9.6	-2.8	-0.5
Total income from services	9,586	9,697	9846	62.0	63.9	64.2	1.2	1.5
Income from capital market activity								
Securities activity	3,219	2,874	2720	20.8	18.9	17.7	-10.7	-5.4
Financial products ^b distribution fees	722	745	718	4.7	4.9	4.7	3.2	-3.6
Management, operational and trust fees for institutional investors	344	302	256	2.2	2.0	1.7	-12.2	-15.2
Net profits/losses from investments in shares	151	41	288	1.0	0.3	1.9	-72.9	
Profits from severance pay funds	151	34		1.0	0.2		-77.5	
Total income from capital market activity	4,436	3,962	3982	28.7	26.1	26	-10.7	0.5
Financing transaction fees	1,083	1,187	1,263	7.0	7.8	8.2	9.6	6.4
Other income^c	359	338	241	2.3	2.2	1.6	-5.9	-28.7
Total fee and other income	15,464	15,184	15,332	100.0	100.0	100.0	-1.8	1.0
2 Operating expenses								
Salaries and related expenses ^d	15,616	16,531	17,080	57.3	59.0	58.2	5.9	3.3
<i>Of which: Salaries</i>	10,336	10,717	10,694	37.9	38.2	36.5	3.7	-0.2
Maintenance and depreciation of premises and equipment	5,290	5,457	5,782	19.4	19.5	19.7	3.2	6
Amortization and write-down of intangible assets and goodwill	433	193	210	1.6	0.7	0.7	-55.4	8.8
Other expenses	5,921	5,853	6,256	21.7	20.9	21.3	-1.2	6.9
<i>Of which: Marketing and advertising</i>	959	964	969	3.5	3.4	3.3	0.5	0.5
Computer expenses	856	888	945	3.1	3.2	3.2	3.7	6.4
Communications	641	638	645	2.4	2.3	2.2	-0.5	1.1
Insurance	137	127	116	0.5	0.5	0.4	-7.3	-8.7
Office expenses	320	333	326	1.2	1.2	1.1	4.1	-2.1
Professional services	806	881	827	3.0	3.1	2.8	9.3	-6.1
Total operating expenses	27,260	28,034	29,328	100.0	100.0	100.0	2.8	4.6

^a Includes mainly margin and collection fees on credit from the Finance Ministry, and from conversion and other differentials.

^b As part of the Bachar Reform, the banks began to charge a "distribution fee". The ceiling on the distribution fee with respect to mutual funds amounts to 0.25 percent of assets in funds that invest mainly in low risk short-term investments, 0.80 percent of assets in equity funds, and 0.40 percent of assets in other funds. The ceiling with respect to provident funds and pension funds amounts to 0.25 percent of the assets in a fund.

^c Includes profit from the realization of assets received in respect of the discharge of credit, management fees from related companies and other income.

^d Includes payroll tax, severance pay, royalties, pension and national insurance.

SOURCE: Based on reports to the Banking Supervision Department.