

**Table 1.6**  
**Fees and other income, and operating expenses, the five banking groups, 2014 to 2016**

	Amounts			Distribution			Changes compared with previous year	
	2014	2015	2016	2014	2015	2016	2015	2016
	(NIS million, at current prices)			(Percent)				
<b>1. Fees and other income</b>								
<b>Income from banking services</b>								
Account management fees	2,949	2,838	2,737	19.4	18.1	18.1	-3.8	-3.6
Credit cards	3,808	3,928	4,157	25.1	25.0	27.5	3.2	5.8
Credit services and contracts	570	605	633	3.8	3.9	4.2	6.1	4.6
Foreign trade activity and special services	392	387	387	2.6	2.5	2.6	-1.3	0.0
Other fees <sup>a</sup>	1,534	1,600	1,561	10.1	10.2	10.3	4.3	-2.4
<b>Total income from services</b>	<b>9,253</b>	<b>9,358</b>	<b>9,475</b>	<b>61.0</b>	<b>59.6</b>	<b>62.7</b>	<b>1.1</b>	<b>1.3</b>
<b>Income from capital market activity</b>								
From securities activity	2,894	2,742	2,394	19.1	17.5	15.8	-5.3	-12.7
Financial products <sup>b</sup> distribution fees	893	916	845	5.9	5.8	5.6	2.6	-7.8
Management, operational and trust fees for institutional investors	232	230	216	1.5	1.5	1.4	-0.9	-6.1
<b>Total income from capital market activity</b>	<b>4,019</b>	<b>3,888</b>	<b>3,455</b>	<b>26.5</b>	<b>24.8</b>	<b>22.9</b>	<b>-3.3</b>	<b>-11.1</b>
<b>Fees from financing transactions</b>	<b>1,458</b>	<b>1,548</b>	<b>1,571</b>	<b>9.6</b>	<b>9.9</b>	<b>10.4</b>	<b>6.2</b>	<b>1.5</b>
<b>Other income<sup>c</sup></b>	<b>434</b>	<b>908</b>	<b>618</b>	<b>2.9</b>	<b>5.8</b>	<b>4.1</b>	<b>109.2</b>	<b>-31.9</b>
<b>Total fees and other income</b>	<b>15,164</b>	<b>15,702</b>	<b>15,119</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>3.5</b>	<b>-3.7</b>
<b>2. Operating expenses</b>								
Salaries and related expenses <sup>d</sup>	18,328	17,447	17,348	59.3	59.6	58.1	-4.8	-0.6
<i>Of which:</i> Salaries	11,042	11,509	11,140	35.7	39.3	37.3	4.2	-3.2
Maintenance and depreciation of premises and equipment	5,490	5,511	5,396	17.8	18.8	18.1	0.4	-2.1
Amortization and write-down of intangible assets and goodwill	209	143	116	0.7	0.5	0.4	-31.6	-18.9
Other expenses	6,892	6,186	7,006	22.3	21.1	23.5	-10.2	13.3
<i>Of which:</i> Marketing and advertising	914	921	1,016	3.0	3.1	3.4	0.8	10.3
Computer expenses	816	884	948	2.6	3.0	3.2	8.3	7.2
Communications	630	653	627	2.0	2.2	2.1	3.7	-4.0
Insurance	115	106	264	0.4	0.4	0.9	-7.8	149.1
Office expenses	302	287	276	1.0	1.0	0.9	-5.0	-3.8
Professional services	798	961	1,034	2.6	3.3	3.5	20.4	7.6
<b>Total operating expenses</b>	<b>30,919</b>	<b>29,287</b>	<b>29,866</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>-5.3</b>	<b>2.0</b>

<sup>a</sup> Includes mainly margin and collection fees on credit from the Finance Ministry, conversion and other differentials.

<sup>b</sup> 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.

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

<sup>d</sup> Includes payroll tax, severance pay, benefits, pension and national insurance.

SOURCE: Based on published financial statements.