

GENERAL

All of the financial data in the tables are presented at current (nominal) values for the end of each year.

At the top of each table, the percent of change in the Consumer Price Index is presented as follows: for end of year balances - the percent change of December as against December of the previous year and for annual summations - the percent change between the annual averages of the Consumer Price Index, respectively.

It must be pointed out, that not all items are linked to the Consumer Price Index. Consequently, the percent change which is quoted in the tables presents no more than a general notion of changes in value, but not an exact calculation.

BANKING

(Tables 25.1-25.3)

DEFINITIONS AND EXPLANATIONS

BALANCES OF BANKING INSTITUTIONS

In Table 25.1 a summary of financial assets and liabilities of the Bank of Israel is presented.

For detailed explanation of the various balance sheet items, see explanation to the financial reports of the Bank of Israel for December 31, 2001.

Table 25.2 is a summary of the balances of banking institutions in Israel (balances of mortgage and investment banks and of the Post Office Bank are not included) and foreign banks operating in Israel. In this summary the mutual balances between banking institutions were not deducted.

The "public" covers households, firms, national institutions, private institutions and corporations. The government of Israel, foreign governments and the Bank of Israel are not included.

The item "banking and financial institutions" includes also institutions which do not appear in the definition of banking institutions, such as mortgage banks.

BALANCES OF MORTGAGE BANKS

The mortgage banks for which data are listed in Table 25.3, differ from commercial banks mainly because they do not create money. They mobilize their means by issuing securities, and deposit the main share of the return on securities with the

Ministry of Finance, and by receiving deposits earmarked for loans according to the directive of the depositor.

Assets and liabilities are listed at their balance sheet value and only those linked to the US dollar are reassessed. In the assessing of buildings and real estate, there is also the difficulty caused by the fact that a number of banks list this item as a nominal value.

Source: The Bank of Israel's balance sheets and statistics on banking institutions published by the Bank of Israel.

INSURANCE

(Tables 25.4-25.7)

(Financial data of the National Insurance Institute are presented, together with the physical data, in Chapter 7 - Welfare)

DEFINITIONS AND EXPLANATIONS

Table 25.4 refers to business received in Israel, after deducting reinsurance in Israel at rates of reinsurance abroad and in retention from business.

Table 25.5 relates to insurance business by Israeli insurance companies in Israel and abroad - after deducting the share of reinsurers.

The data in the profit and loss reports and in the balance sheets of Israeli insurance companies (Tables 25.6, 25.7) reflect their business in Israel and abroad.

In all the historical tables, data are presented at nominal values, and for the sake of comparison, the percent annual change in the Consumer Price Index is given in the table.

Life assurance includes insurance in case of death, pension insurance, insurance against invalidity, and any combination of the types mentioned above.

General insurance: all branches of insurance except life insurance.

Since 1977, the account of business of the "General Insurance" branch (Table 25.5) includes, among the assets, an item for "investment profit", which was previously not included in this account.

Re-insurance: any transfer of part of the risk from one insurer to another, other than insurance carried out jointly by a number of insurers.

Retention is the balance of income/expenditure, after deduction of the share of reinsurers.

Investment profit: interest on investment covering insurance and other liabilities, dividends, profit from realization of investments and credit fees referring to the report year (for the years 1981-1984 including also the adjusted figures of insurance reserves and pending claims in general insurance in foreign currency for the beginning of the year, to the exchange rate of the Sheqel at the end of the report year).

Insurance reserve: a fund representing the contingent liabilities of the insurer according to the risk he has undertaken.

Claims paid include expenses on settlement of claims.

Pending and approved claims: claims not yet agreed and approved, and approved claims not yet paid.

Claims of the year: claims paid out to insured persons, expenses on settlement of claims, and the increase in the balance of pending and approved claims.

Period. Data refer to calendar years.

SOURCES

Data are based on annual reports of Israeli insurance companies.

Until 1991, processing of insurance branch data was done by the Central Bureau of Statistics in the framework of Surveys of Insurance businesses in Israel.

As of 1992, the CBS receives the data summed by the Ministry of Finance, the Capital Market, Insurance and Savings Department.

MUTUAL FUNDS

(Table 25.8)

Table 25.8 presents data on the total assets of mutual funds, total annual net capital raising and the total nominal yield rates from all mutual funds.

The table also presents data on the asset composition, by types of indexing and type of mutual fund.

PROVIDENT FUNDS

(Table 25.9)

Table 25.9 presents a summary of data on provident fund assets, by type of fund and asset composition.

DEFINITIONS

Social insurance fund is an inclusive term for any company, cooperative society or corporation by special legislation, intended to pay pensions, severance or vacations, etc., which was approved by the Ministry of Finance and which is administered in accordance with its regulations.

Classification of funds

One social insurance fund may include several types of funds. Funds are classified both by type and by administration.

Pension funds: included, until 1989, funds which have either pension schemes only or pension and other schemes. Since 1990, they include pension schemes only, while the other schemes are transferred to "other funds".

In Tables 25.8-25.9, summaries for 1989 are presented twice - according to both the old and the new classification.

Provident and severance funds in financial institutions: funds administered by financial institutions, that administer provident, severance or common funds for both provident and for severance. They have no pension funds.

As of 1993, other funds (providence and severance funds of single establishments and other funds, according to the old classification) were classified in this group.

Training funds: funds for studies only.

Other funds: provident and severance, of individual enterprises and other funds.

As of 1993 this type was cancelled and was included in the group Provident and Severance Funds.

Pension scheme: scheme for periodic payments to an employee after final or partial retirement from work, caused by age or illness, or to his survivors after his death.

Provident scheme: a scheme to be paid to the member (or to his survivors after death), from money accumulated to his credit. This group includes training schemes.

Severance scheme: a scheme in which the employer accumulates money for a non-recurrent payment to the employee or to his survivors as a grant, after retirement or death.

Training scheme: This scheme was initially intended to save money for proficiency studies. A professional committee for each scheme must approve the proficiency needs of the employee for raising his professional level and advancement.

As of 1978, an employee may draw on his savings in this scheme, on condition that he saved at least six years.

Social scheme: a mutual scheme for financing members' damages caused by illness, disability, etc. This group includes mutual insurance schemes and vacation funds which are not mutual.

Assets at revaluation: total assets of the fund, including difference on revaluation.

Revaluation differences: the increase in the investment value, which accumulated due to linkage.

Investments at purchase value - before revaluation.

Revaluation differences: the revaluated value with deduction of the investment at purchase value and the accumulated interest. As of 1975 revaluation differences have been included in the scheme accounts.

Recognized investments: types of investments recognized by the income tax authorities for reduction in taxes, in which the funds must invest a defined percent of their assets.

Employers' debts: surplus of employees' and employers' provisions which have not been transferred by the employer during 15 days.

Current and additional provision: the regular monthly provisions paid by employee and employer, and amounts transferred by the members to their credit as agreed with the fund for accumulation of retroactive rights.

Provident payments: Payments to retired members, or whenever the conditions for obtaining the benefit according to the regulations of the fund are fulfilled.

SOURCES

The data were taken, up to 1971, from the yearly financial reports of the provident funds, authorized by the Income Tax Commissioner. Since 1972, data are based on questionnaires sent to the provident funds. The questionnaires served as the base for the surveys carried out annually by the Central Bureau of Statistics.

As of 1987, the survey has been carried out by the Capital Market, Insurance and Savings Department of the Ministry of Finance. Additional data processing and summaries carried out by the Central Bureau of Statistics were based on these data until 1998. As of 1999, data on total assets and asset composition are received from the Ministry of Finance.

More detailed data on the provident funds Survey for 1998 and for previous years, as well as explanations on Insurance Funds in Israel are published in Current Briefings in Statistics and in the Monthly Bulletin of Statistics.

SELECTED PUBLICATIONS

SPECIAL PUBLICATIONS

935 Insurance in Israel 1991

CURRENT BRIEFINGS IN STATISTICS

17, 1999 Social Insurance Funds in Israel, 1998 (Hebrew only)