

**BANK OF ISRAEL**  
**STATEMENT OF OPERATIONS FOR THE YEAR ENDED**  
**DECEMBER 31, 2007**  
(NIS million, reported amounts)

	Notes	2007	2006
<b>Interest income from</b>			
Financial assets in foreign currency abroad	19	5,920	4,883
Loans	20	379	213
The government	21	507	538
Other	22	24	17
<b>Total interest income</b>		<b>6,830</b>	5,651
<b>Interest expense</b>			
On financial liabilities in foreign currency abroad	23	1,090	871
To banks and the public	24	4,360	4,590
To the government	25	510	375
Other	26	98	97
<b>Total interest expense</b>		<b>6,058</b>	5,933
<b>Net interest income (interest expense)</b>		<b>772</b>	(282)
<b>Other financial income (expense) from</b>			
Securities and derivatives	27	1,197	571
Exchange-rate differentials	28	(6,607)	451
Miscellaneous	29	8	11
<b>Total other financial income (expense)</b>		<b>(5,402)</b>	1,033
<b>Profit (loss) on financial transactions</b>		<b>(4,630)</b>	751
<b>Expenses on printing banknotes and minting coins</b>		<b>(55)</b>	(60)
<b>Administrative and general expenses</b>	30	<b>(612)</b>	(613)
<b>Other income</b>	31	<b>32</b>	5
<b>Net profit (loss)</b>		<b>(5,265)</b>	83

The accompanying notes are an integral part of the financial statements.