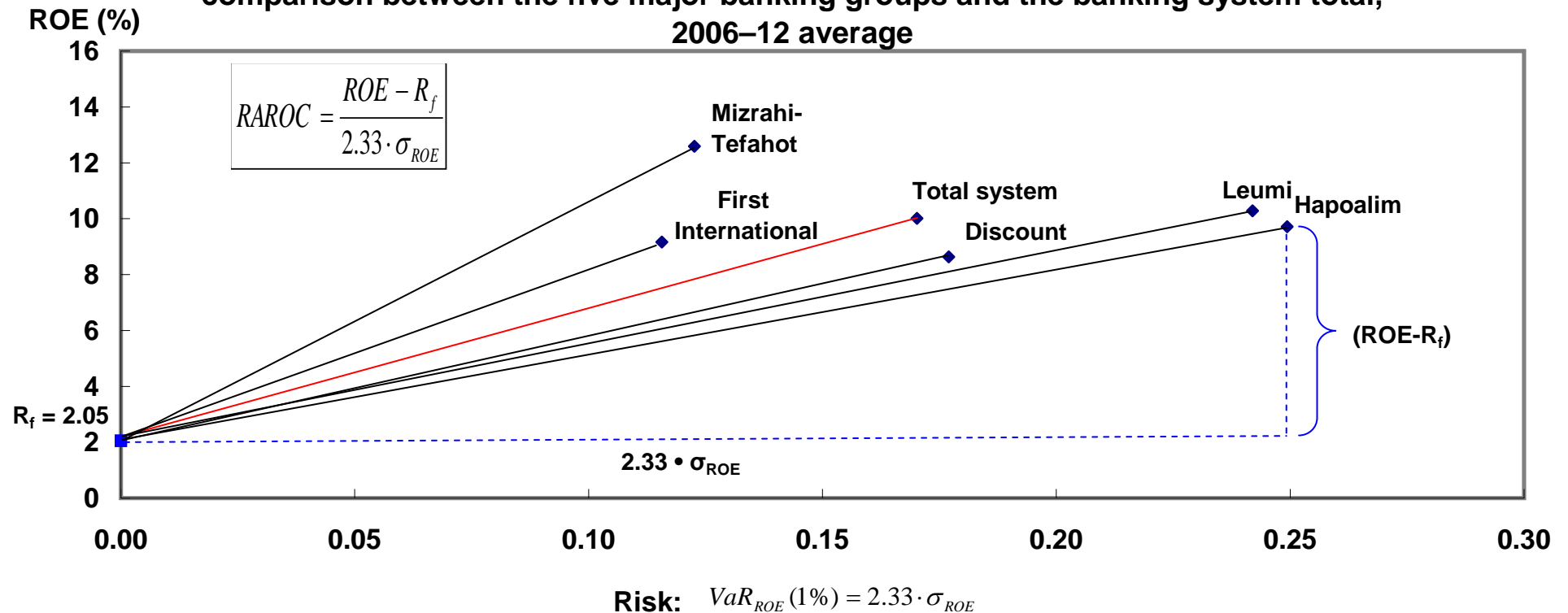


Figure A-1.1
Risk Adjusted Return on Capital,
comparison between the five major banking groups and the banking system total,
2006–12 average



- R_f** - Average annual risk-free interest rate for the period 2006 to 2012. The interest rate is based on the yield to maturity of 5-year (Galil) CPI-indexed bonds.
- ROE** - Average annual return on equity for the period 2006 to 2012.
- σ_{ROE}** - The standard deviation is based on the ROE for each quarter in the period 2006 to 2012 (so that the calculation was made on the basis of 28 observations).

SOURCE: Banking Supervision Department based on published financial statements.