

Table 1.1
Principal banking system indices,
December 2001 to December 2014

Year	Ratio of market value to book value ^a (MV/BV)	Average yield spread between bonds of the banks and government bonds ^b (percentage points)	Ratio of credit to GDP ^{c,d} (percent)	Rate of change in balance-sheet credit to the public ^{d,e} (percent)	Annual loan loss provision to total credit to the public ^{e,f} (percent)	Ratio of liquid assets ^g to liquid liabilities ^{f,h}	Ratio of credit ^{f,i} to deposits	Capital adequacy ratio ^f (percent)	Common	Equity to total balance-sheet assets ^f (percent)	ROE ^f (percent)
									Equity/Core Tier 1 capital ratio ^{f,j} (percent)		
2001	0.91	0.7	110.3	17.9	0.84		0.81	9.4		4.9	5.6
2002	0.56	0.8	105.7	-1.1	1.32	0.42	0.83	9.9		4.9	2.5
2003	0.85	0.7	104.0	-1.7	1.12	0.41	0.82	10.3		5.3	8.3
2004	1.06	0.7	99.5	0.1	0.92	0.41	0.80	10.7		5.5	12.4
2005	1.45	0.7	100.6	6.7	0.69	0.42	0.82	10.7		5.4	14.5
2006	1.33	0.6	95.7	2.0	0.52	0.38	0.80	10.8		5.9	17.3
2007	1.21	0.9	95.8	7.7	0.28	0.29	0.85	11.0		6.1	15.6
2008	0.56	2.0	99.9	10.4	0.72	0.27	0.90	11.2		5.7	0.3
2009	1.11	1.6	93.4	-1.4	0.75	0.38	0.86	13.7 ^k 13.6 ^l		6.3	8.8
2010	1.06	1.0	93.0	7.2	0.41	0.32	0.91	14.0	7.9 ^l	6.7	9.8
2011	0.69	1.3	90.8	3.7	0.39	0.37	0.89	14.0	8.2	6.2	10.2
2012	0.78	1.0	86.4	2.1	0.41	0.39	0.87	14.9	8.0	6.6	7.9
2013	0.84	0.9	82.6	1.1	0.25	0.38	0.87	14.7 14.2 ^m	9.3 9.1 ^m	6.9	8.7
2014	0.72	0.9	83.1	4.3	0.15	0.35	0.85	14.2 ^m	9.3 ^m	7.0	7.3

^a In calculating the MV/BV ratio, the book value (BV) of the five major banks is calculated with a delay of one quarter after the market value (MV).

^b Average for December of that year.

^c Measured using gross credit.

^d Measured in relation to the entire banking system.

^e Until December 2010—net credit to the public; from December 2011—gross credit to the public.

^f The five banking groups.

^g Liquid assets include government bonds and cash as well as deposits at the Bank of Israel and at other banks with up to 3 months to maturity.

^h Liquid liabilities include total deposits with up to 3 months to maturity.

ⁱ Calculated in relation to net credit.

^j Until December 31, 2013, the banking corporations presented the Core Tier 1 capital ratio, in accordance with Basel II principles. From January 1, 2014, they present the Common Equity Tier 1 capital ratio, in accordance with Basel III principles.

^k Calculated in accordance with the Basel I principles.

^l Calculated in accordance with Basel II principles.

^m Calculated in accordance with Basel III principles in accordance with the transition directives.

SOURCE: Banking Supervision Department based on Central Bureau of Statistics, Bank of Israel, published financial statements, and reports to the Banking Supervision Department.