

Balance Sheet

| | | As of December 31 | |
|---|------|-------------------|----------------|
| | Note | 2017 | 2016 |
| Assets | | | |
| Foreign currency assets | | | |
| Foreign currency assets abroad | 2 | | |
| Demand deposits | | 89,071 | 47,267 |
| Short-term deposits | | 18,458 | 3,474 |
| Tradable securities | | 279,768 | 325,542 |
| Reverse repurchase agreements | | 57 | 194 |
| Derivative financial instruments | | 361 | 3,501 |
| Other assets | | 1,151 | - |
| The International Monetary Fund | 3 | 5,284 | 4,505 |
| Total foreign currency assets abroad | | 394,150 | 384,483 |
| Other foreign currency assets | | | |
| Credit to the government | 4 | 115 | 127 |
| Total foreign currency assets | | 394,265 | 384,610 |
| Local currency assets | | | |
| Tradable securities | 5 | 6,386 | 8,662 |
| Fixed assets | 6 | 462 | 393 |
| Other assets | 7 | 381 | *) 358 |
| Total local currency assets | | 7,229 | 9,413 |
| | | | |
| | | | |
| | | | |
| Total | | 401,494 | 394,023 |

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

*) Reclassified, see Note 7.

(NIS million, reported amounts)

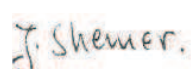
As of December 31

| | Note | 2017 | 2016 |
|--|------|-----------------|-----------------|
| Liabilities and equity | | | |
| Banknotes and coins in circulation | 8 | 82,202 | 75,996 |
| Foreign currency liabilities | | | |
| Foreign currency liabilities abroad | 2 | | |
| Repurchase agreements | | - | 2,079 |
| Derivative financial instruments | | 2,136 | 204 |
| Other liabilities | | 202 | 3,672 |
| Total foreign currency liabilities abroad | | 2,338 | 5,955 |
| Other foreign currency liabilities | | | |
| Government deposits | 9 | 7,540 | 9,282 |
| Deposits of banking corporations | 10 | 724 | 772 |
| The International Monetary Fund and others | 11 | 4,483 | 4,697 |
| Total other foreign currency liabilities | | 12,747 | 14,751 |
| Total foreign currency liabilities | | 15,085 | 20,706 |
| Local currency liabilities | | | |
| Government deposits | 9 | 19,394 | 15,134 |
| Deposits of banking corporations | 10 | 234,478 | 206,503 |
| <i>Makam</i> | 12 | 91,945 | 104,934 |
| Other liabilities | 13 | 7,149 | 6,651 |
| Total local currency liabilities | | 352,966 | 333,222 |
| Total liabilities | | 450,253 | 429,924 |
| Revaluation accounts | 14 | 13,494 | 25,564 |
| Equity | | | |
| Share capital and general reserve | 15 | 3,985 | 3,985 |
| Accumulated losses | | (66,238) | (65,450) |
| Total equity (Deficit Equity) | | (62,253) | (61,465) |
| Total | | 401,494 | 394,023 |

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


Dr. Karnit Flug

Governor


Prof. Yehoshua (Shuki) Shemer

Chairman
of the Supervisory Council


Hezi Kalo

Director General


Irit Mendelson

Director of the Accounting,
Payment and Settlement
Systems Department

Date of approval of the financial statements: March 26, 2018.