Table 1.1
Principal banking system indices, December 2001 to December 2015

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]	Liquidity coverage ratio[d,i] (percent)	Ratio of credit[f,j] to deposits	Common Equity Tier 1 capital ratio[f,k] (percent)	Equity to total balance-sheet assets[f] (percent)	Leverage ratio[f,l] (percent)	ROE[f] (percent)
2001	0.91	0.7	109.3	17.9	0.84	-		0.81		4.9		5.6
2002	0.56	0.8	104.6	-1.1	1.32	0.42		0.83		4.9		2.5
2003	0.85	0.7	102.9	-1.7	1.12	0.41		0.82		5.3		8.3
2004	1.06	0.7	98.5	0.1	0.92	0.41		0.80		5.5		12.4
2005	1.45	0.7	99.4	6.7	0.69	0.42		0.82		5.4		14.5
2006	1.33	0.6	94.3	2.0	0.52	0.38		0.80		5.9		17.3
2007	1.21	0.9	94.3	7.7	0.28	0.29		0.85		6.1		15.6
2008	0.56	2.0	98.6	10.4	0.72	0.27		0.90		5.7		0.3
2009	1.11	1.6	92.7	-1.4	0.75	0.38		0.86	7.9[m]	6.3		8.8
2010	1.06	1.0	92.4	7.2	0.41	0.32		0.91	8.2	6.7		9.8
2011	0.69	1.3	89.6	3.7	0.39	0.37		0.89	8.0	6.2		10.2
2012	0.78	1.0	85.6	2.1	0.41	0.39		0.87	8.7	6.6		7.9
2013	0.84	0.9	82.0	1.1	0.25	0.36		0.87	9.3	6.9		8.7
Jan-14									9.1[n]			
2014	0.72	0.9	82.6	4.3	0.15	0.35		0.85	9.2	6.7		7.3
Jun-15							102.8[n]				6.5[n]	
2015	0.74	0.9	82.6	5.2	0.12	0.39	110.8	0.84	9.6	6.9	6.4	9.1

[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). As of December 2014, the book value includes the effect of employee rights and software expenses.

[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] Measured in relation to 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 an original term to maturity of up to 3 months.

[h] Liquid liabilities include total deposits with an original term to maturity of up to 3 months.

[i] Calculated on a consolidated basis and based on end-of-period balances.

[j] Calculated in relation to net credit.

[k] 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.

[l] Calculated as the ratio between Tier 1 capital and total exposures, in accordance with Basel III principles.

[m] Calculated in accordance with Basel II principles.

[n] 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.