

**Table 1.1**  
**Principal banking system indices, the five major banking groups,**  
**December 2001 to December 2012**

Year	Ratio of market value to book value <sup>a</sup> (MV/BV)	Average yield gap between the banks' bonds and government bonds (percentage points)	Ratio of credit to GDP <sup>b</sup> (percent)	Rate of change in balance-sheet credit to the public <sup>c</sup> (percent)	Loan loss provision to total credit to the public <sup>d</sup> (percent)	Ratio of liquid assets <sup>e</sup> to liquid liabilities <sup>f</sup>	Ratio of credit <sup>g</sup> to deposits	Capital adequacy ratio (percent)	Core Tier 1 capital ratio (percent)	ROE (percent)	Risk adjusted return on capital (RAROC)
2001	0.9	0.8	102.3	11.3	0.85		0.81	9.4		5.8	0.1
2002	0.6	0.8	107.5	8.2	1.32	0.42	0.83	9.9		2.8	-0.2
2003	0.8	0.7	104.0	-3.2	1.12	0.41	0.82	10.3		8.4	0.3
2004	1.1	0.8	100.0	0.4	0.90	0.41	0.80	10.7		13.2	0.8
2005	1.4	0.7	97.5	3.3	0.69	0.42	0.82	10.7		14.5	1.0
2006	1.3	0.6	94.8	5.1	0.52	0.38	0.80	10.8		17.3	1.0
2007	1.2	1.1	97.0	9.0	0.28	0.29	0.85	11.0		15.6	0.8
2008	0.6	1.9	101.6	10.3	0.72	0.27	0.90	11.2		0.3	-0.1
2009	1.1	1.7	94.7	-1.6	0.75	0.38	0.86	13.7 <sup>n</sup>		8.8	0.4
								13.6 <sup>i</sup>	7.9		
2010	1.1	1.7	95.0	6.9	0.41	0.32	0.91	14.0	8.0	9.8	0.5
2011	0.7	1.5	91.9	6.5	0.39	0.37	0.89	14.0	8.0	10.2	0.5
2012	0.8	1.4	88.0	2.1	0.41	0.39	0.87	14.9	8.7	7.9	0.4

<sup>a</sup> In calculating the MV/BV ratio, the book value (BV) is calculated with a delay of one quarter after the market value (MV).

<sup>b</sup> Measured using gross credit.

<sup>c</sup> Until December 2011—net credit to the public; from December 2012—gross credit to the public.

<sup>d</sup> Until December 2010—net credit to the public; from December 2011—gross credit to the public.

<sup>e</sup> Liquid assets include cash as well as deposits at the Bank of Israel and at other banks with up to 3 months to maturity, and government bonds.

<sup>f</sup> Liquid liabilities include total deposits with up to 3 months to maturity.

<sup>g</sup> Calculated in relation to net credit.

<sup>h</sup> Calculated in accordance with Basel I principles.

<sup>i</sup> Calculated in accordance with Basel II principles.

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