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NATIONAL BALANCE SHEET ACCOUNTS IN ISRAEL

Methods and Uses

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This document has been prepared by Noemi Frisch Zachman, Central Bureau of Statistics - Israël and will be presented under item 1 of the draft agenda

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NATIONAL BALANCE SHEET ACCOUNTS IN ISRAEL

METHODS AND USES

Noemi Frisch

Introduction

The national balance sheet accounts for Israel were first published in 2002 for the year 1995¹. Since then the balance sheets have been prepared for the years 2001-2004, and presently we complete the national balance sheets for the years 2005-2006. The balance sheets for 2007 are expected to be completed at the end of 2008 and the balance sheets for 2008 and further on will be prepared till the middle of the next year. The balance sheet accounts for 1995 included 11 local sectors/secondary sectors, 30 kinds of assets and all the relationships between assets and liabilities of the sectors.

Over the years some changes have been made in the number of sectors and also in the types of assets which are published. For example, in the balance sheets of 1995 the two secondary sectors of the financial sector: other financial intermediaries and financial auxiliaries were not separated, some of the assets and liabilities of these secondary sectors were recorded in other sectors, and some were not recorded at all. For the later years these two secondary sectors were completely separated from the other sectors.

One example of the changes in the assets classification is the division between foreign currency indexed assets and CPI indexed assets, that has been added recently.

¹ National balance sheet accounts 1995 – Central Bureau of Statistics Israel – publication no. 1168

This overview includes the description of the sectors/secondary sectors and their data sources and methods, the cooperation with the financial stability unit at the central bank (Bank of Israel) and the changes that were made in the national balance sheets due to this collaboration, the use of the national balance sheets by the financial stability unit and some of the data published.

Sources and Methods

The national balance sheets for Israel have been prepared in the format recommended by the SNA93.

The methods used to prepare the national balance sheets are presented on the basis of institutional sector and/or types of assets. The value of asset or liability can be derived either from a method related to an institutional sector or it can be the result of a distribution of the total value of the asset or liability among various sectors.

In the first phase of preparing the balance sheets, assets and liabilities in the national balance sheet of the institutional sector were recorded in accordance with the data in each sector's financial statements (consolidated data). In the second phase, and after all the requisite adjustments were made, the sums of assets and corresponding liabilities in the various sectors were compared. If the value of a given asset and the value of the corresponding liability did not correspond, further inquiries were made and the estimate that was found to be more reliable was the one recorded in the national balance sheets.

If there were no information sources on assets and liabilities of a given sector, such as the households sector, two auxiliary methods were used to produce the balance sheets:

- The "counterpart" method – assets and liabilities are recorded at their value in the balance sheet of other institutional units that hold corresponding assets and liabilities.
- The "residual derivation" method – if the sum of an asset/liability held by one of the sectors is unknown, it is calculated by subtracting the sums held by the remaining sectors from the total value of the asset or liability.

Institutional sectors and data sources

Non Financial Corporations Sector, Other Financial Intermediaries Sector and Financial Auxiliaries Sector - analysis of the balance sheets of the corporations sector (based on a sample). The results are non consolidated and it is quite difficult to adjust them for our needs.

Households Sector - most sources were the balance sheets of other sectors or sources of information specific financial assets. For example, the deposits and loans of the households are collected from the Central Bank, which has aggregated data from all the commercial banks.

Deposit Money Corporations Sector and Other Depository Corporations Sector - the main source is the Bank of Israel, Supervisor of banks, Annual information on the banking corporations. Beside this source some of the data are collected directly from the large banks, such as items, which are relevant to the asset "other accounts receivable and payable".

In the national balance sheets compiled for the years 2005-2006 these two sectors are no longer separated because the largest mortgage banks have been merged with the ordinary banks.

Pension Funds, Provident Funds, Training Funds and Insurance Corporations Sector - the main source for these four sectors is the report of the Capital Market, Insurance and Saving division of the Ministry of Finance about the composition of assets for each of these four sectors.

Bank of Israel Sector – the source is the financial statements of the Central Bank.

Central Government and National Insurance Sector - The main source is the Ministry of Finance, Office of the Accountant General, Financial Statements for the end of the year. Another source is the annual report of the office of the State Comptroller.

Local Government Sector - the sources are the balance sheets of the local authorities, which are analyzed at the Central Bureau of Statistics.

Governmental Non-profit institutions Sector and Non-profit Institutions Serving Households Sector - the source is a survey of balance sheets for public and private non-profit institutions held by the Central Bureau of Statistics.

Most of the data that are based on the analysis of the balance sheets of the sectors are available with a delay (2-3 years), so different indicators are used in order to compile the national balance sheets. To give a few examples: the change in the turnover of the Non-Financial Corporations Sector is used to calculate the asset/liability "other accounts receivable and payable". Data on wages and output are used to extrapolate the assets/liabilities for the Governmental Non-Profit Institutions Sector and the Non-Profit Institutions Serving Households Sector. For the Other Financial Intermediaries Sector a small survey of balance sheets is conducted, which covers the large companies that are registered on the Israeli stock exchange and publish their balance sheets on the internet.

Another important source is the Tel Aviv Stock Exchange Ltd., miscellaneous reports and elaborations. Information is obtained at market values on the issued quoted governmental bonds, quoted private bonds and quoted shares. Holdings by the various sectors were partially estimated on the basis of the statements and data that were used to produce the respective sectors' balance sheet. When no data was available about the holders some assumptions had to be made. The main difficulty is to separate the holdings of the households from the holdings of Non-Financial Corporations Sector.

The non financial assets include only produced fixed assets and inventories. The source for the produced fixed assets is the net capital stock, calculated in the National Accounts. The method used is the perpetual inventory method and the stock of assets is distributed between the sectors mainly by using data from the relevant sectors.

Cooperation with the financial stability unit at the Bank of Israel

The main user of the national balance sheets has so far been the financial stability unit at the Central Bank, and this unit has been closely involved in the development of the balance sheets. During the collaboration with this unit some needs came up and in order to answer them some changes needed to be made in the classifications of the balance sheets.

1. Separating the Holding Companies from the Other Financial Intermediaries sector and so creating a "sub sector". This separation has been only partially done, because there are some items that couldn't be fully separated. This division is important for different analysis made by the financial stability

unit, since that the nature of this sectors' assets and liabilities is different (for example their main assets are shares).

2. Division between foreign currency indexed assets and CPI indexed assets. This separation between the assets made it possible to sum up all the assets which are linked to foreign currency or denominated in foreign currency (in the past the assets were divided only between assets in national currency and assets denominated in foreign currency). It can help to analyze an economy's resilience to exchange rate risk. Difference between assets and liabilities linked or denominated in foreign currency creates exposure to changes in the exchange rate.
3. Another issue that has been discussed with the colleagues from the central bank is the breakdown of assets and liabilities by maturity, meaning separation between long-term assets and short-term assets. The aim is to be able to analyze liquidity risks for the different sectors due to maturity mismatches (this part has not yet been done).
4. Another need which turned up is to compile up-to-date quarterly national balance sheets. Part of the data used for the balance sheets is available only annually, therefore some attempts had been done to develop indicators for the missing quarterly data, but it is a difficult task and it is still in process.

Uses of the national balance sheets by the financial stability unit

1. In the recent years the IMF increased its efforts in the development of the balance sheet approach (BSA) to examining macroeconomic vulnerabilities.

A paper² has been written by Mr. Yair Haim and Mr. Roee Levy from the financial stability unit in the Central Bank, about using the BSA in financial stability surveillance.

"This paper presents a framework for analyzing an economy's resilience to exchange rate risk using the BSA, which is gaining prominence worldwide in the surveillance of financial stability. The framework is applied to Israel's economy, by using a combination of new national balance sheet data and foreign currency balance sheet data.

The analysis using the BSA shows that Israel's economy was highly vulnerable to a depreciation of the shekel in 1997, but from then until 2005 it became more resilient. The improvement was mainly due to the lowering of the business sector's high level of exposure to depreciation and its greater financial strength. This, together with higher capital adequacy in the banking system, made the latter more resilient to indirect damage that could be caused by depreciation...".

The financial stability unit used similar methods and data from the balance sheets (and other data) to examine the durability of the Israeli economy to market risks, such as a deep decrease in the values of the bonds and shares (has only been done for internal purposes).

2. One of the results derived from the national balance sheets is the distribution of the credit by all of the lender and borrower sectors and by type of financial instrument (loans from banks, other loans, quoted bonds and unquoted bonds). See appendix A.

² "Using the balance sheet approach in financial stability surveillance: analyzing the Israeli economy's resilience to exchange rate risk" – written by Yair Haim and Roee Levy from the Bank of Israel, January 2007
<http://www.bankisrael.gov.il/depdata/stability/papers/dp0701e.pdf>
<http://dsbb.imf.org/Applications/web/fsi/fsicountrycategorylist/?strcode=ISR>

The last data available is for the year 2004 (the data for 2005-2006 will be ready in a short time).

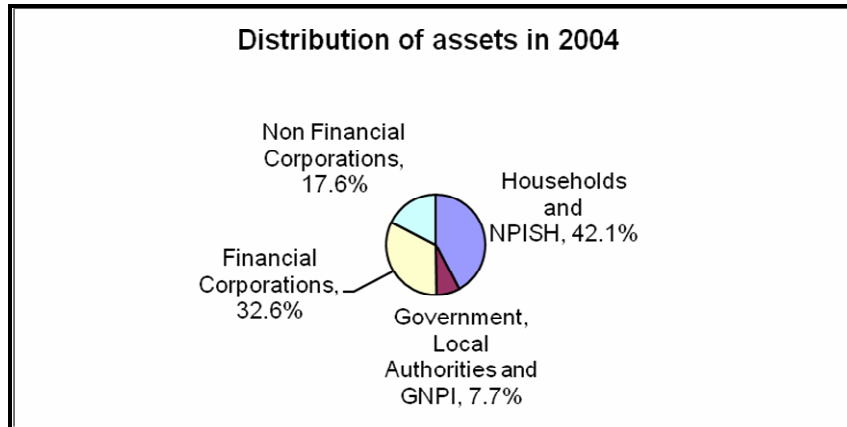
On the same basis and by using the principle of the national balance sheets the colleagues at the Central Bank calculate a similar but partial matrix for the most recent year. Their last data was published for the first quarter of 2008³. This matrix includes credit only from the financial sector and from non-residents and the borrower sectors are divided into three main sectors. See appendix B.

3. The financial stability unit also uses the national balance sheets and other data as basic inputs for calculating financial soundness indicators according to the list of the IMF. These indicators are published on the IMF website.

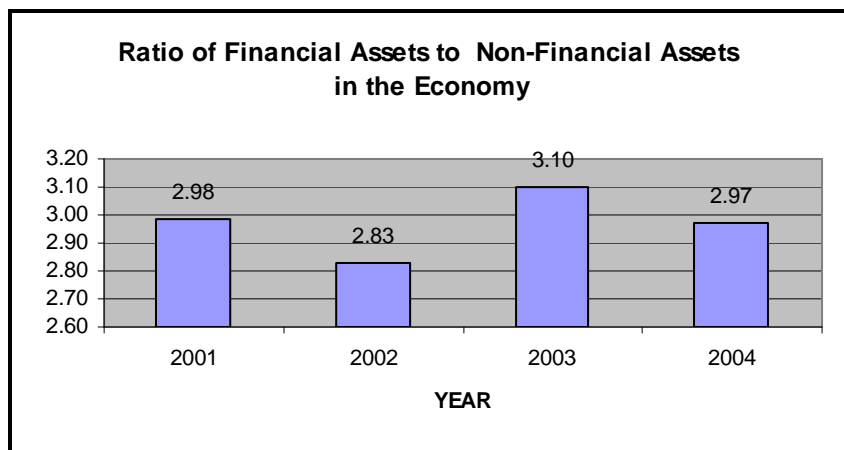
National Balance Sheets - Main Findings

- Examples for the balance sheets of 2004 are shown in appendix C and D. Appendix C includes the national balance sheet by institutional sectors. Appendix D includes the balance of the Non-Financial Corporations Sector.
- Israel's total national wealth was NIS 1,166 billion at the end of 2004, which is 2.06 times gross domestic product. The national wealth per capita was NIS 161 thousand at that time.
- The total assets in the national balance sheets were NIS 5,139 billion - 9.1 times GDP. The distribution of the assets between the sectors is the following:

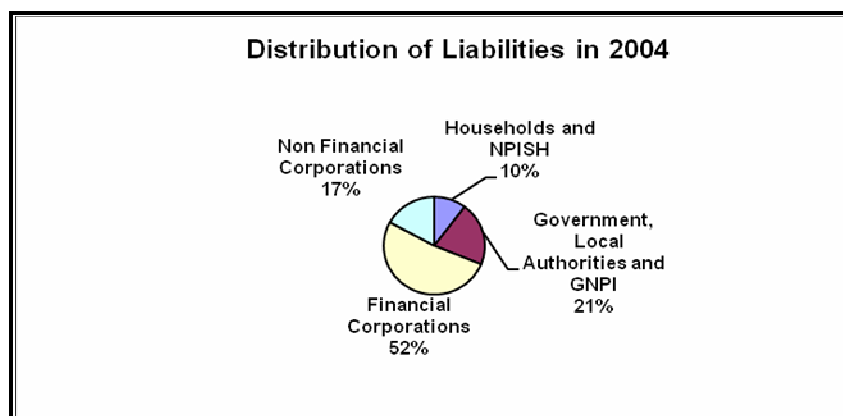
³ <http://www.bankisrael.gov.il/deptdata/stability/indic/t03e.xls>



- The ratio of financial to non-financial assets reflects the extent of economic units' autonomy in decisions concerning saving and investment and the share of internal financing in the business sectors.



- The distribution of the liabilities between the sectors is the following :



- The total credit in the national balance sheets (including loans from banks, other loans, quoted bonds and unquoted bonds) was NIS 1,388 billion at the end of 2004. The loans from the banks were 44% from the total credit in the economy and it was mainly given to the Non-Financial Corporations Sector (50%) and to the Households (38%). The total credit to the Non-Financial Corporations Sector was NIS 428 billion at the end of 2004. The total credit to the Households was NIS 241 billion at that time.
- The government debt, which includes mainly bonds, was NIS 564 billion at the end of 2004.

Conclusions

The balance sheets for Israel were first developed within the national accounts. The collaboration with the Central Bank to develop the national balance sheets has proved fruitful, and has led to wider use of the balance sheets, mainly for financial stability.

With the constant development of the balance sheets there will be more possibilities in the future to use the data for different analyses, and it may also extend the number of users.

Distribution of Credit by Lender and Borrower Sectors, 31.12.2004

NIS Millions	Borrower Sector								
	Depository Corporations	Public Sector	Non-financial Corporations	Other Financial Intermediaries and Financial Auxiliaries	HouseHolds and Non-profit Institutions serving households	Rest of the world	Bank of Israel	Insurance Corporations and Pension and provident funds	Total
Lender Sector									
Depository Corporations	..	65,789	308,318	32,637	230,832	31,898	7,034	696	677,204
<i>Credit in the free market</i>	..	63,796	308,300	32,637	230,832	19,142	7,034	696	662,436
<i>Banks' credit</i>	..	10,946	291,040	31,960	119,214	19,142	0	690	472,992
<i>Mortgage credit</i>	..	6,640	13,690	0	111,618	0	0	0	131,948
<i>Quoted bonds</i>	..	46,210	3,570	677	0	0	7,034	6	57,497
<i>Other credit</i>	..	1,994	18	0	0	12,756	0	0	14,768
<i>Credit other than of banks</i>	..	0	0	0	0	0	0	0	0
<i>Unquoted bonds</i>	..	1,994	18	0	0	12,756	0	0	14,768
Public Sector	0	..	8,816	4	0	185	26	0	9,031
<i>Credit in the free market</i>	0	..	0	0	0	0	26	0	26
<i>Quoted bonds</i>	0	..	0	0	0	0	26	0	26
<i>Other credit</i>	0	..	8,816	4	0	185	0	0	9,004
<i>Credit other than of banks</i>	0	..	5,587	4	0	0	0	0	5,591
<i>Unquoted bonds</i>	0	..	3,229	0	0	185	0	0	3,414
Non-financial Corporations	4,038	29,165	..	13,360	857	56,765	23,457	111	127,753
<i>Credit in the free market</i>	664	29,099	..	8,058	0	0	23,457	68	61,346
<i>Quoted bonds</i>	664	29,099	..	8,058	0	0	23,457	68	61,346
<i>Other credit</i>	3,374	66	..	5,302	857	56,765	0	43	66,407
<i>Credit other than of banks</i>	0	66	..	3,867	857	26,946	0	43	31,779
<i>Unquoted bonds</i>	3,374	0	..	1,435	0	29,819	0	0	34,628
Other Financial Intermediaries and Financial Auxiliaries	59	3,011	13,465	..	276	3,155	933	14	20,913
<i>Credit in the free market</i>	59	2,620	592	..	0	0	933	6	4,210
<i>Quoted bonds</i>	59	2,620	592	..	0	0	933	6	4,210
<i>Other credit</i>	0	391	12,873	..	276	3,155	0	8	16,703
<i>Credit other than of banks</i>	0	0	12,780	..	276	2,293	0	8	15,357
<i>Unquoted bonds</i>	0	391	93	..	0	862	0	0	1,346
HouseHolds and Non-profit Institutions serving households	200	38,755	4,251	2,958	..	8,780	35,578	20	90,541
<i>Credit in the free market</i>	200	37,947	1,971	2,421	..	0	35,578	20	78,136
<i>Quoted bonds</i>	200	37,947	1,971	2,421	..	0	35,578	20	78,136
<i>Other credit</i>	0	808	2,280	537	..	8,780	0	0	12,405
<i>Credit other than of banks</i>	0	92	2,243	537	..	1,413	0	0	4,285
<i>Unquoted bonds</i>	0	717	36	0	..	7,367	0	0	8,120
Rest of the world	25	133,815	59,408	73	2,506	..	461	1,237	197,525
<i>Foreign credit</i>	0	55,935	36,459	73	2,506	..	0	1,237	96,210
<i>Quoted bonds</i>	0	1,564	73	0	0	..	461	0	2,098
<i>Unquoted bonds</i>	25	76,316	22,876	0	0	..	0	0	99,217
Bank of Israel	0	8,729	0	0	0	92,738	..	0	101,467
<i>Credit to Government and monetary loans</i>	0	3,995	0	0	0	0	..	0	3,995
<i>Israeli and foreign bonds</i>	0	4,734	0	0	0	92,738	..	0	97,472
Insurance Corporations and Pension and provident funds	16,852	272,190	33,909	13,882	8,097	5,794	5,042	..	355,767
<i>Credit in the free market</i>	914	126,533	9,146	11,109	0	0	5,042	..	152,744
<i>Quoted bonds</i>	914	126,533	9,146	11,109	0	0	5,042	..	152,744
<i>Other credit</i>	15,938	145,658	24,763	2,773	8,097	5,794	0	..	203,023
<i>Credit other than of banks</i>	0	0	671	336	8,097	77	0	..	9,181
<i>Unquoted bonds</i>	15,938	145,658	24,092	2,437	0	5,717	0	..	193,842
Total	21,174	551,455	428,166	62,914	242,568	199,315	72,531	2,078	1,580,200

APPENDIX B



Bank of Israel

Financial Stability Area

Table 3: Balance of Outstanding Credit, 2003 to March 2008

Estimated distribution of credit by lender and borrower sectors and by types of financial instruments (NIS billion, prices of March 2008).

	To the business sector						To households						To the government						Total credit (net)					
	2003	2004	2005	2006	2007	03-08	2003	2004	2005	2006	2007	03-08	2003	2004	2005	2006	2007	03-08	2003	2004	2005	2006	2007	03-08
Credit from the financial sector	444	445	483	516	569	572	235	238	245	252	262	265	341	350	347	339	314	390	1,020	1,033	1,076	1,107	1,145	1,227
From banks	387	374	370	370	379	384	230	233	240	246	256	259	49	55	52	58	59	57	666	662	662	673	694	700
Loans	381	370	366	364	372	377	230	233	240	246	256	259	4	3	2	2	2	3	615	605	608	612	630	638
of which for housing							156	157	159	159	163	164							156	157	159	159	163	164
of which Directed credit	11	11	10	10	8	7	51	52	49	47	45	45							62	62	59	57	53	51
Tradable bonds	7	4	4	6	7	8							45	52	50	56	57	54	51	56	54	61	64	62
From provident funds	37	43	63	82	105	104	0	0	0	1	1	1	91	91	81	72	55	57	128	134	145	154	161	161
Loans	2	2	1	1	2	2	0	0	0	1	1	1	5	5	5	5	5	5	7	7	7	7	8	8
Bonds	35	41	62	81	104	102							85	86	76	67	50	51	120	127	138	147	154	153
of which non-tradable	24	27	37	46	44	41							0	0	0	0	0	0	24	28	37	46	44	41
From pension funds	5	9	19	27	37	36	0	0	0	0	0	0	136	137	153	148	142	216	141	146	172	175	180	252
Loans	0	1	1	1	2	2	0	0	0	0	0	0	1	1	0	0	0	0	2	2	2	2	2	3
Bonds	4	8	18	25	35	34							135	136	153	148	142	216	139	144	170	174	177	250
of which non-tradable	3	6	12	15	19	19							130	123	126	118	111	185	133	129	138	134	130	203
From insurance companies	15	20	30	38	48	48	5	5	5	5	5	5	66	67	61	61	58	60	85	92	96	104	111	113
Loans	1	2	3	5	6	6	5	5	5	5	5	5	0	0	0	0	0	0	5	7	8	11	11	11
Bonds	14	18	27	33	41	42							66	67	61	61	58	60	80	85	88	93	100	102
of which non-tradable	9	12	17	18	21	21							33	32	32	33	33	33	42	44	49	51	54	54
Credit from non-residents	88	105	110	124	120	110	1	1	1	1	1	1	139	142	147	144	121	110	228	247	258	269	242	221
Loans	71	80	86	92	94	85	1	1	1	1	1	1	14	13	12	9	7	7	86	94	99	101	102	93
Bonds	17	25	24	32	26	25							124	129	135	135	114	103	142	154	159	167	140	129
of which non-tradable	0	1	1	1	1	0							47	46	47	43	38	34	48	47	48	44	38	35
Total credit from financial sector non-residents	532	550	593	640	689	683	236	239	246	252	263	266	480	491	494	483	436	500	1,248	1,281	1,333	1,375	1,388	1,449
Tradable bonds held by private sector (non-financial)	3	8	17	25	50	59							77	81	89	87	101	104						
Total credit from all sectors	536	558	611	665	739	741	236	239	246	252	263	266	557	573	583	570	537	605						
Loans	455	454	458	464	476	472	236	239	246	252	263	266	25	22	19	16	14	15						
Tradable bonds	45	59	87	122	180	190							322	350	358	359	341	337						
Non-tradable bonds	35	45	66	79	84	80							210	201	206	195	182	253						

SOURCE: Based on data of the Capital Market, Insurance and Savings Division of the Ministry of Finance and the Bank of Israel.

APPENDIX C

The National Balance Sheet, by Institutional Sectors 2004

NIS Millions

	Deposit money corporations	Other depository corporations	Bank of Israel	Central government and National	Households	Non-financial corporations	Provident funds	Pension funds	Training funds	Insurance corporations	Local authorities	Non-profit institutions serving households	Governmental non-profit institutions	Rest of the world	Other financial intermediaries	Financial auxiliaries	Total	National balance sheet
Assets																		
Non-financial assets																		
Fixed assets	6,992	180	36	54,675	608,049	388,635	0	0	0	1,409	94,069	16,533	50,432	0	4,321	273	1,225,604	1,225,604
Dwelling	0	0	0	0	578,101	0	0	0	0	0	0	0	0	0	0	0	578,101	578,101
Other buildings and works	3,484	78	19	52,688	15,762	157,978	0	0	0	617	89,302	15,396	45,189	0	3,410	114	384,037	384,037
Machinery and Equipment	3,262	95	16	1,645	10,012	186,338	0	0	0	737	4,349	1,137	3,338	0	513	110	211,552	211,552
Transport equipment	246	7	1	342	4,174	40,030	0	0	0	55	418	0	1,905	0	398	49	47,625	47,625
Livestock and plantations	0	0	0	0	0	4,289	0	0	0	0	0	0	0	0	0	0	4,289	4,289
Inventories	0	0	0	0	0	66,376	0	0	0	0	17	130	772	0	115	0	67,410	67,410
Non-financial assets - total	6,992	180	36	54,675	608,049	455,011	0	0	0	1,409	94,086	16,663	51,204	0	4,436	273	1,293,014	1,293,014
Financial assets																		
Monetary gold and SDR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monetary gold and SDR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special drawing rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Currency and deposits	138,741	1,406	26,816	78,242	355,002	143,687	29,224	5,486	12,113	27,632	2,427	3,401	5,902	103,340	16,976	1,552	951,946	848,606
Currency	4,573	14	0	67	8,234	9,199	0	0	0	0	24	0	0	0	199	23	22,332	22,332
Transferable deposits	0	0	0	3,568	26,781	21,921	3,349	124	1,646	2,055	843	708	945	5,077	739	53	67,809	62,732
In national currency	0	0	0	5	17,600	8,774	2,637	106	1,202	1,174	843	708	945	0	739	47	34,780	34,780
In foreign currency	0	0	0	3,563	9,181	13,147	712	18	444	881	0	0	0	5,077	0	6	33,029	27,952
Other deposits	134,168	1,393	26,816	74,607	319,986	112,567	25,875	5,362	10,467	25,577	1,560	2,692	4,957	98,263	16,038	1,476	861,806	763,542
In national currency	65,310	1,227	2,187	67,405	260,377	53,489	25,774	5,351	10,464	25,056	1,560	2,692	4,957	2,753	14,246	1,476	544,324	541,571
Unindexed deposits	28,278	1,136	2,187	12,580	173,211	50,289	11,843	3,494	3,916	6,211	995	1,373	2,268	2,753	4,731	1,021	306,287	303,534
Saving schemes	0	0	0	0	51,843	0	0	0	0	0	0	0	0	0	0	0	51,843	51,843
Other indexed deposits	37,032	90	0	54,825	35,323	3,200	13,931	1,857	6,548	18,845	565	1,319	2,689	0	9,515	455	186,194	186,194
In foreign currency	68,859	166	24,629	7,202	59,609	59,078	101	11	3	521	0	0	0	95,510	1,792	0	317,482	221,971
Time deposits	68,859	166	24,629	7,202	59,609	59,078	101	11	3	521	0	0	0	95,510	1,792	0	317,482	221,971
Securities other than shares	72,674	401	97,472	3,045	84,017	95,974	88,345	136,645	37,446	84,981	175	2,239	4,540	101,315	5,261	341	814,872	713,557
Quoted securities	54,110	401	4,734	0	76,056	61,346	67,134	14,995	29,720	40,962	0	2,081	4,346	2,098	3,915	341	362,238	360,140
Short-term governmental loans	7,034	0	0	0	35,575	23,457	2,057	188	1,139	1,658	0	3	26	461	932	1	72,531	72,070
Governmental bond	45,831	379	4,734	0	35,869	29,099	55,906	12,648	24,925	33,054	0	2,077	4,320	1,564	2,367	253	253,026	251,462
Private bonds	1,245	22	0	0	4,612	8,790	9,171	2,159	3,656	6,250	0	0	0	73	616	87	36,681	36,608
Unquoted securities	824	0	0	2,860	594	4,809	18,208	121,650	7,726	40,694	175	159	194	0	93	0	197,986	197,986
Earmarked governmental bonds	0	0	0	0	594	0	51	114,862	0	30,132	0	123	0	0	0	0	145,762	145,762
Private bonds*	824	0	0	2,860	0	4,809	18,157	6,788	7,726	10,562	175	36	194	0	93	0	52,224	52,224
Foreign currency securities	17,740	0	92,738	185	7,367	29,819	3,003	0	0	3,326	0	0	0	99,217	1,253	0	254,648	155,431
Israeli bonds	4,984	0	0	0	0	0	0	0	0	612	0	0	0	99,217	391	0	105,204	5,987
Foreign bonds	12,756	0	92,738	185	7,367	29,819	3,003	0	0	2,714	0	0	0	0	862	0	149,443	149,443
Shares	35,074	816	0	56,522	575,631	61,965	26,040	5,380	9,752	15,901	1,655	457	2,011	259,638	105,732	715	1,157,289	897,650
Quoted shares	8,348	0	0	15,926	99,022	8,837	25,193	3,253	9,422	10,648	1	186	1,006	38,134	41,071	344	261,390	223,256
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Foreign shares	8,487	0	0	0	3,795	52,640	570	73	214	2,940	0	0	0	0	5,276	8	74,003	74,003
Unquoted shares	18,239	816	0	40,596	472,815	488	277	2,054	115	2,313	1,654	271	1,005	221,504	59,385	363	821,895	600,391
Loans**	472,992	131,950	3,995	5,359	4,191	31,779	2,666	0	0	6,515	82	94	150	96,210	15,371	91	771,445	675,235
In national currency	338,327	131,950	3,995	5,359	2,778	4,833	2,666	0	0	6,438	82	94	150	0	13,078	91	509,841	509,841
In foreign currency	134,665	0	0	0	1,413	26,946	0	0	0	77	0	0	0	96,210	2,293	0	261,603	165,394
Insurance technical reserves	876	0	0	748	474,682	16,133	0	0	0	9,945	1,056	242	858	0	0	0	504,540	504,540
Net equity of households	0	0	0	0	455,710	0	0	0	0	0	0	0	0	0	0	0	455,710	455,710
On pension funds and provident funds	0	0	0	0	352,533	0	0	0	0	0	0	0	0	0	0	0	352,533	352,533
On life insurance reserves	0	0	0	0	103,177	0	0	0	0	0	0	0	0	0	0	0	103,177	103,177
Prepayment of premiums and reserves against outstanding claims	876	0	0	748	18,972	16,133	0	0	0	9,945	1,056	242	858	0	0	0	48,830	48,830
Other accounts receivable and payable	1,885	205	239	8,699	37,203	97,770	87	756	54	11,186	19,060	2,471	3,986	27,528	21,303	1,099	233,530	206,002
Trade credit and advances	976	0	9	482	16,673	73,003	0	0	0	110	42	679	1,870	27,358	18,992	488	140,683	113,325
Other	909	205	230	8,217	20,530	24,766	87	756	54	11,076	19,018	1,792	2,115	170	2,311	611	92,846	92,677
Financial assets - total	722,242	134,778	128,522	152,614	1,530,727	447,307	146,363	148,267	59,364	156,161	24,455	8,904	17,446	588,031	164,643	3,798	4,433,622	3,845,591
Assets - total	729,234	134,958	128,558	207,289	2,138,776	902,318	146,363	148,267	59,364	157,570	118,541	25,567	68,650	588,031	169,079	4,071	5,726,636	5,138,605

(*) Including bonds issued to provident funds by commercial banks and associated

(**) Excluding trade credit

APPENDIX C

The National Balance Sheet, by Institutional Sectors 2004

NIS Millions

	Deposit money corporations	Other depository corporations	Bank of Israel	Central government and National	Households	Non-financial corporations	Provident funds	Pension funds	Training funds	Insurance corporations	Local authorities	Non-profit institutions serving households	Governmental non-profit institutions	Rest of the world	Other financial intermediaries	Financial auxiliaries	Total	National balance sheet
Liabilities																		
Monetary gold and SDR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monetary gold and SDR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special drawing rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Currency and deposits	623,687	125,065	55,288	6,300	0	0	0	0	0	0	0	0	0	141,606	0	0	951,946	810,340
Currency	0	0	20,783	0	0	0	0	0	0	0	0	0	0	1,549	0	0	22,332	20,783
Transferable deposits	63,955	0	0	0	0	0	0	0	0	0	0	0	0	3,854	0	0	67,809	63,955
In national currency	34,780	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	34,780	34,780
In foreign currency	29,175	0	0	0	0	0	0	0	0	0	0	0	0	3,854	0	0	33,029	29,175
Other deposits	559,732	125,065	34,505	6,300	0	0	0	0	0	0	0	0	0	136,203	0	0	861,805	725,601
In national currency	385,173	119,937	32,913	6,300	0	0	0	0	0	0	0	0	0	0	0	0	544,323	544,323
Unindexed deposits	256,848	10,225	32,913	6,300	0	0	0	0	0	0	0	0	0	0	0	0	306,286	306,286
Saving schemes	45,620	6,223	0	0	0	0	0	0	0	0	0	0	0	0	0	0	51,843	51,843
Other indexed deposits	82,705	103,489	0	0	0	0	0	0	0	0	0	0	0	0	0	0	186,194	186,194
In foreign currency	174,558	5,128	1,592	0	0	0	0	0	0	0	0	0	0	136,203	0	0	317,482	181,278
Time deposits	174,558	5,128	1,592	0	0	0	0	0	0	0	0	0	0	136,203	0	0	317,482	181,278
Securities other than shares	19,195	2,790	72,531	478,102	0	65,695	0	0	0	933	0	0	0	149,444	26,183	0	814,873	665,429
Quoted securities	1,673	169	72,531	253,027	0	12,361	0	0	0	167	0	0	0	0	22,311	0	362,239	362,239
Short-term governmental loans	0	0	72,531	0	0	0	0	0	0	0	0	0	0	0	0	0	72,531	72,531
Governmental bond	0	0	0	253,027	0	0	0	0	0	0	0	0	0	0	0	0	253,027	253,027
Private bonds	1,673	169	0	0	0	12,361	0	0	0	167	0	0	0	0	22,311	0	36,681	36,681
Unquoted securities	17,497	2,621	0	145,762	0	27,468	0	0	0	766	0	0	0	0	3,872	0	197,986	197,986
Earmarked governmental bonds	0	0	0	145,762	0	0	0	0	0	0	0	0	0	0	0	0	145,762	145,762
Private bonds*	17,497	2,621	0	0	0	27,468	0	0	0	766	0	0	0	0	3,872	0	52,224	52,224
Foreign currency securities	25	0	0	79,313	0	25,867	0	0	0	0	0	0	0	149,444	0	0	254,648	105,204
Israeli bonds	25	0	0	79,313	0	25,867	0	0	0	0	0	0	0	0	0	0	105,204	105,204
Foreign bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	149,444	0	0	149,444	0
																	0	0
Loans**	0	0	0	61,506	241,419	362,470	0	0	0	1,978	15,255	1,149	915	49,871	36,056	826	771,445	721,574
In national currency	0	0	0	5,571	224,044	226,900	0	0	0	741	15,255	1,149	915	1,150	33,291	826	509,841	508,691
In foreign currency	0	0	0	55,935	17,375	135,571	0	0	0	1,237	0	0	0	48,721	2,765	0	261,604	212,883
Insurance technical reserves	0	0	0	0	0	146,213	147,057	59,264	142,062	0	0	0	0	9,945	0	0	504,540	494,595
Net equity of households	0	0	0	0	0	146,213	147,057	59,264	103,177	0	0	0	0	0	0	0	455,710	455,710
On pension funds and provident funds	0	0	0	0	0	146,213	147,057	59,264	0	0	0	0	0	0	0	0	352,533	352,533
On life insurance reserves	0	0	0	0	0	0	0	0	103,177	0	0	0	0	0	0	0	103,177	103,177
Prepayment of premiums and reserves against outstanding claims	0	0	0	0	0	0	0	0	0	38,885	0	0	0	9,945	0	0	48,830	38,885
Other accounts receivable and payable	5,324	508	34	18,198	53,217	66,868	150	1,210	100	3,569	8,937	3,488	13,667	35,877	21,187	1,198	233,532	197,655
Trade credit and advances	1,287	0	34	66	33,113	46,511	0	0	0	58	4,403	1,246	5,045	35,713	12,646	564	140,684	104,971
Other	4,037	508	0	18,132	20,105	20,358	150	1,210	100	3,511	4,534	2,243	8,622	164	8,541	634	92,848	92,684
																	0	0
Liabilities - total	648,206	128,363	127,852	564,106	294,637	495,034	146,363	148,267	59,364	148,542	24,192	4,637	14,582	386,743	83,426	2,024	3,276,336	2,889,594
Market value of shares	48,036	5,400	0	0	0	917,977	0	0	0	21,965	0	0	0	74,003	85,650	4,257	1,157,289	1,083,286
Quoted shares	47,387	1,928	0	0	0	147,165	0	0	0	15,545	0	0	0	0	49,365	0	261,391	261,391
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Foreign shares	0	0	0	0	0	0	0	0	0	0	0	0	0	74,003	0	0	74,003	0
Unquoted shares	649	3,472	0	0	0	770,812	0	0	0	6,420	0	0	0	0	36,285	4,257	821,895	821,895
Liabilities including shares	696,242	133,763	127,852	564,106	294,637	1,413,011	146,363	148,267	59,364	170,507	24,192	4,637	14,582	460,746	169,076	6,281	4,433,625	3,972,879
Net Worth - total	81,028	6,595	706	-356,817	1,844,139	407,284	0	0	0	9,028	94,349	20,930	54,069	201,289	85,653	2,047	2,450,300	2,249,011
Net worth excluding shares	32,991	1,195	706	-356,817	1,844,139	-510,693	0	0	0	-12,937	94,349	20,930	54,069	127,286	2	-2,210	1,293,011	1,165,725
Liabilities and Net Worth - total	729,234	134,958	128,558	207,289	2,138,776	902,318	146,363	148,267	59,364	157,570	118,541	25,567	68,650	588,031	169,079	4,071	5,726,636	5,138,605

(*) Including bonds issued to provident funds by commercial banks and associated

(**) Excluding trade credit

APPENDIX D

Balance of the Non-financial Corporations - 2004

NIS Millions

	Deposit money corporations	Other depository corporations	Bank of Israel	Central government and National Insurance	Households	Non-financial corpor	Provident funds	Pension funds	Training funds	Insurance corporations	Local authorities	Non-profit institutions serving households	Governmental non-profit institutions	Rest of the world	Other financial intermediaries	Financial auxiliaries	Total	
Assets																		
Non-financial assets																		
Fixed assets																		
Dwelling																	388,635	
Other buildings and works																	0	
Machinery and Equipment																	157,978	
Transport equipment																	186,338	
Livestock and plantations																	40,030	
Inventories																	4,289	
Non-financial assets - total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	455,011
Financial assets																		
Monetary gold and SDR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monetary gold and SDR																	0	
Special drawing rights																	0	
Currency and deposits	95,717	1,234	9,199	359	0	0	0	0	0	0	0	0	0	37,178	0	0	0	143,687
Currency																	9,199	
Transferable deposits																	21,921	
In national currency																	8,774	
In foreign currency																	13,147	
Other deposits																	73,796	
In national currency																	51,896	
Unindexed deposits																	48,923	
Saving schemes																	0	
Other indexed deposits																	2,973	
In foreign currency																	21,900	
Time deposits																	21,900	
Securities other than shares	3,821	217	23,457	29,099	0	0	0	0	0	68	0	0	0	29,819	9,493	0	0	95,974
Quoted securities																	61,346	
Short-term governmental loans																	0	
Governmental bond																	0	
Private bonds																	604	
Unquoted securities																	3,217	
Earmarked governmental bonds																	0	
Private bonds*																	3,217	
Foreign currency securities																	0	
Israeli bonds																	0	
Foreign bonds																	0	
Shares	4,452	354	0	0	0	0	0	0	0	1,712	0	0	0	52,640	2,807	0	0	61,965
Quoted shares																	4,254	
Others																	0	
Foreign shares																	0	
Unquoted shares																	198	
Loans**	0	0	0	0	685	0	0	0	0	43	0	171	66	26,946	3,866	1	0	31,779
In national currency																	0	
In foreign currency																	0	
Insurance technical reserves	0	0	0	0	0	0	0	0	0	16,133	0	0	0	0	0	0	0	16,133
Net equity of households																	0	
On pension funds and provident funds																	0	
On life insurance reserves																	0	
Prepayment of premiums and reserves against outstanding claims																	0	
Other accounts receivable and payable	1,805	353	34	9,281	18,541	0	121	1,075	89	900	5,731	1,457	3,957	35,713	17,940	774	0	97,770
Trade credit and advances																	901	
Other																	904	
Financial assets - total	105,795	2,158	32,689	38,739	19,226	0	121	1,075	89	18,856	5,731	1,628	4,023	182,296	34,106	775	0	447,307
Assets - total																		902,318

(*) Including bonds issued to provident funds by commercial banks and asso

(**) Excluding trade credit

APPENDIX D

Balance of the Non-financial Corporations - 2004

NIS Millions

	Deposit money corporations	Other depository corporations	Bank of Israel	Central government and National Insurance	Households	Non-financial corpor	Provident funds	Pension funds	Training funds	Insurance corporations	Local authorities	Non-profit institutions serving households	Governmental non-profit institutions	Rest of the world	Other financial intermediaries	Financial auxiliaries	Total
Liabilities																	
Monetary gold and SDR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Monetary gold and SDR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Special drawing rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Currency and deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transferable deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
In national currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
In foreign currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
In national currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unindexed deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Saving schemes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other indexed deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
In foreign currency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Time deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Securities other than shares	3,566	22	0	2,860	1,971	0	13,667	4,916	6,541	8,114	175	36	194	22,949	647	38	65,695
Quoted securities	557	22	0	0	1,971	0	3,945	928	1,573	2,700	0	0	0	73	554	38	12,361
Short-term governmental loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Governmental bond	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Private bonds	557	22	0	0	1,971	0	3,945	928	1,573	2,700	0	0	0	73	554	38	12,361
Unquoted securities	18	0	0	2,860	0	0	9,722	3,988	4,968	5,414	175	36	194	0	93	0	27,468
Earmarked governmental bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Private bonds*	18	0	0	2,860	0	0	9,722	3,988	4,968	5,414	175	36	194	0	93	0	27,468
Foreign currency securities	2,991	0	0	0	0	0	0	0	0	0	0	0	0	22,876	0	0	25,867
Israeli bonds	2,991	0	0	0	0	0	0	0	0	0	0	0	0	22,876	0	0	25,867
Foreign bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans**	291,040	13,690	0	5,355	2,241	0	0	0	0	671	82	2	150	36,459	12,774	6	362,470
In national currency	191,928	13,690	0	5,355	2,241	0	0	0	0	671	82	2	150	0	12,774	6	226,900
In foreign currency	99,112	0	0	0	0	0	0	0	0	0	0	0	0	36,459	0	0	135,571
Insurance technical reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net equity of households	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
On pension funds and provident funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
On life insurance reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepayment of premiums and reserves against outstanding claims	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other accounts receivable and payable	1,012	53	9	4,738	11,465	0	68	596	42	2,373	9,533	609	1,267	25,780	8,479	843	66,868
Trade credit and advances	683	0	9	0	11,465	0	0	0	0	0	42	328	804	25,780	6,951	448	46,511
Other	329	53	0	4,738	0	0	68	596	42	2,373	9,491	281	463	0	1,528	395	20,358
Liabilities - total	295,618	13,765	9	12,953	15,677	0	13,735	5,512	6,583	11,158	9,790	647	1,611	85,188	21,900	887	495,034
Market value of shares	4,078	17	0	46,849	505,365	0	19,004	4,883	7,138	10,748	1,655	186	1,914	245,008	70,721	411	917,977
Quoted shares	3,089	0	0	6,615	55,649	0	18,733	2,883	7,023	10,610	1	186	909	23,718	17,405	344	147,165
Others	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Foreign shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unquoted shares	989	17	0	40,234	449,717	0	271	1,999	115	138	1,654	0	1,005	221,290	53,316	67	770,812
Liabilities including shares	299,696	13,782	9	59,802	521,043	0	32,739	10,395	13,721	21,906	11,445	833	3,525	330,196	92,621	1,298	1,413,011
Net Worth - total																	407,284
Net worth excluding shares																	-510,693
Liabilities and Net Worth - total																	902,318

(*) Including bonds issued to provident funds by commercial banks and asso

(**) Excluding trade credit