



MIZRAHI TEFAHOT

Financial Statements

March 2018





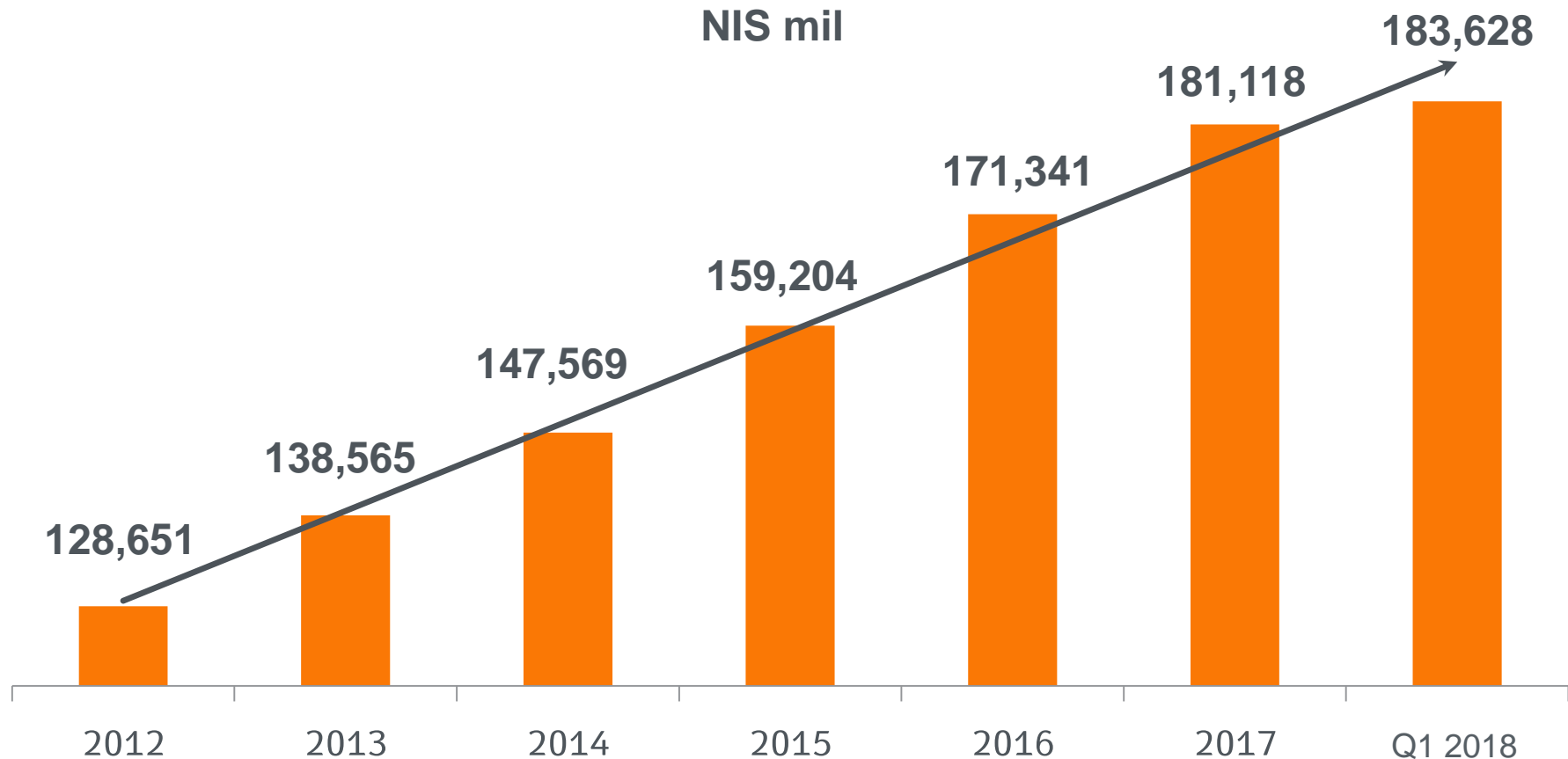
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Continuous loan growth

Credit to the public
NIS mil



Average annual growth rate 7%



Credit growth in all segments

Loans to the public (NIS mil)			
	31.3.2018	31.3.2017	% of change
Housing loans	120,721	115,378	4.6%
Households and Private banking	20,214	18,689	8.2%
Small and micro businesses	17,184	15,617	10.0%
Medium businesses	5,906	4,907	20.4%
Large businesses and Institutional investors	15,993	15,342	4.2%
Overseas operations	3,610	3,135	15.2%
Total	183,628	173,068	6.1%



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Brackets in the table group the following categories:

- Small and micro businesses (17,184)
- Medium businesses (5,906)
- Large businesses (15,993)
- Overseas operations (3,610)

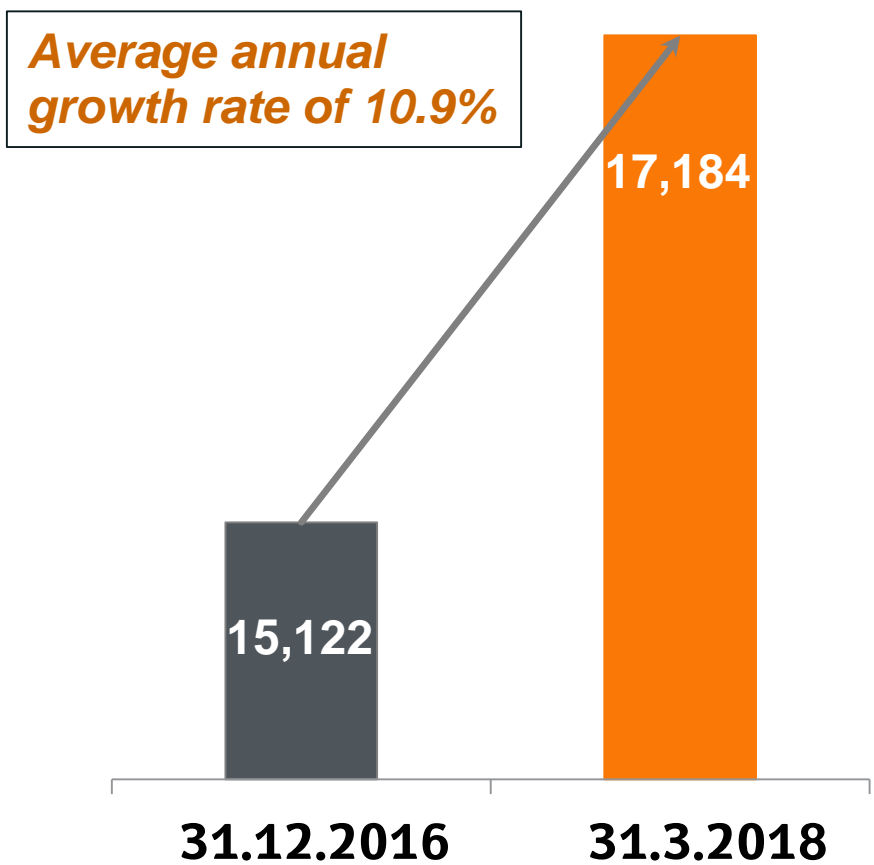
 The total for these categories in 2018 is 42,693, and in 2017 it is 39,001.

Business segments lead the growth with 9.5% annual increase

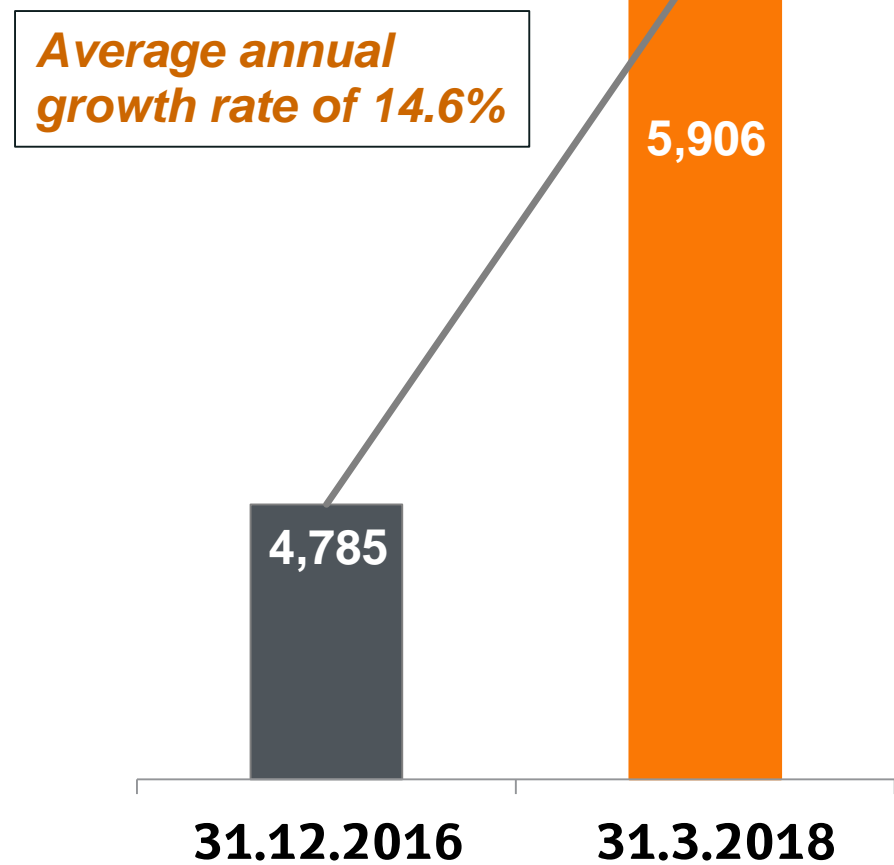


Double digit average annual growth rate in credit to small and micro businesses and medium business since the beginning of the new strategic plan

Credit to small and micro business
(NIS mil)



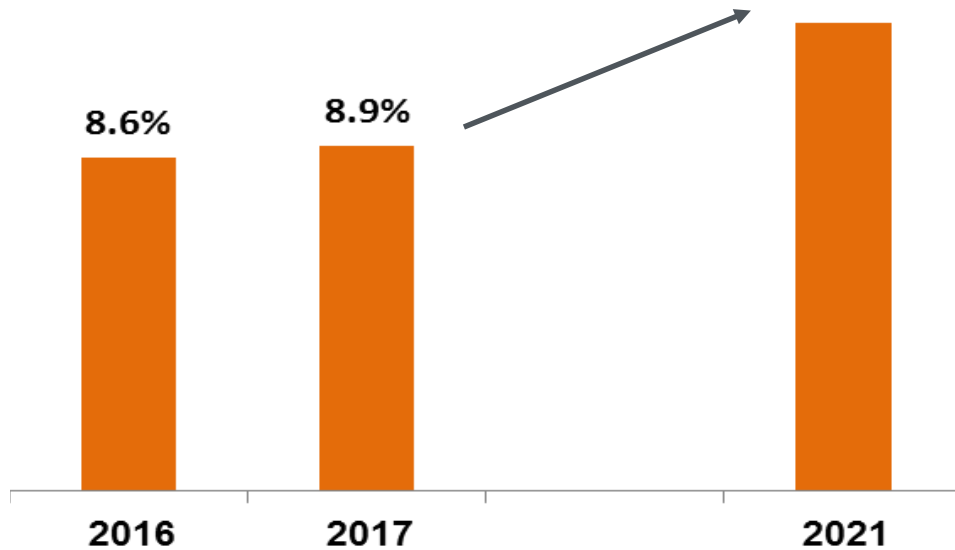
Credit to medium business
(NIS mil)



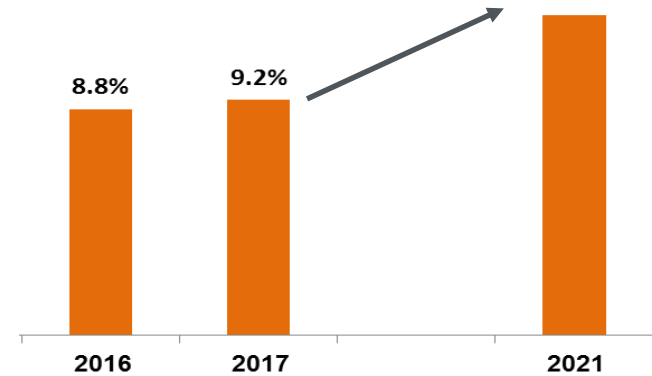


... and in line with the strategic plan

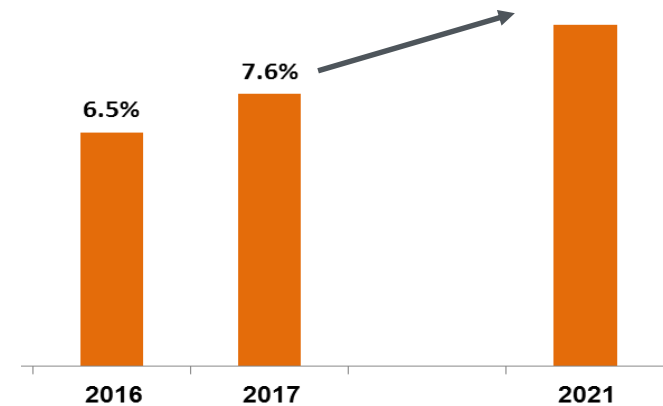
Market share – business segments



Market share – small and micro business



Market share – medium business



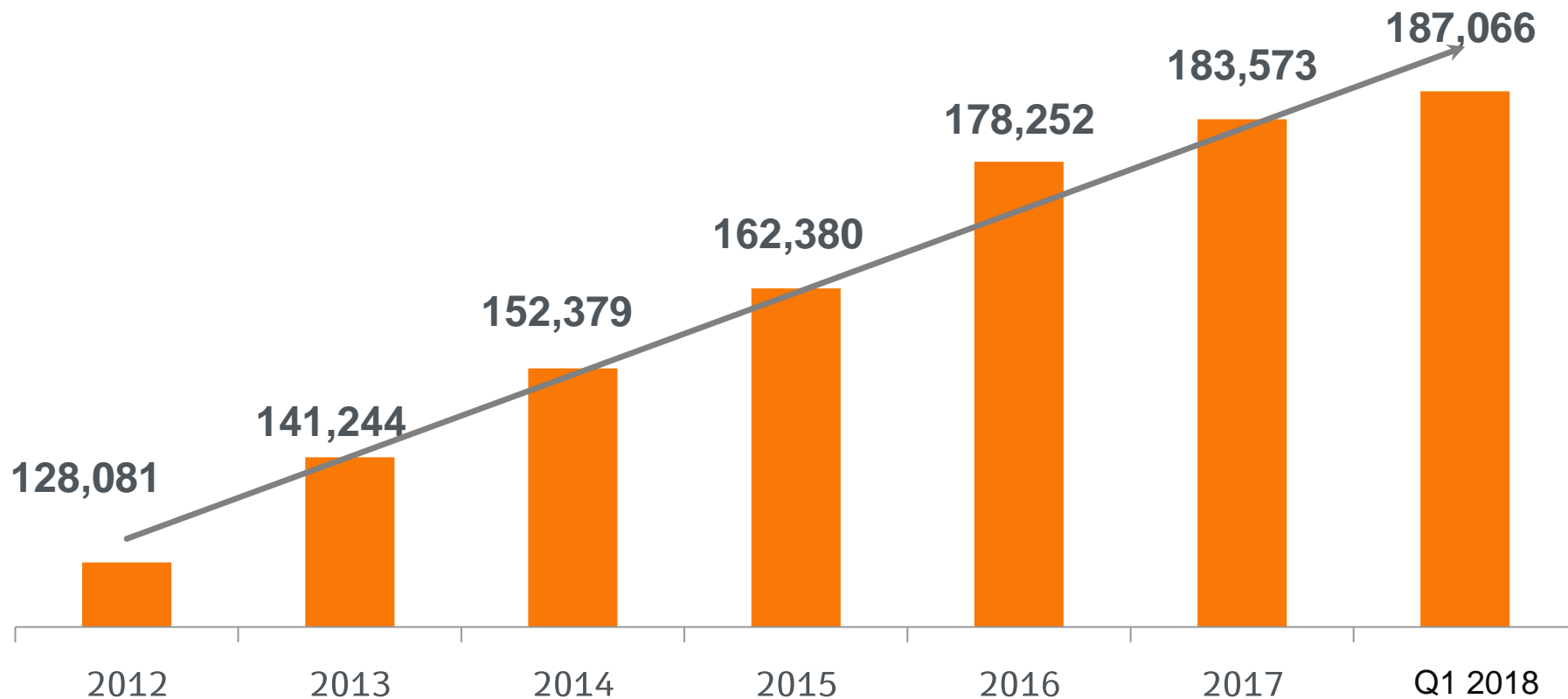
* According to supervisory operating segments, % out of 5 major banking groups

** Source: financial reports of the 5 banking groups *** In accordance with UMTB's strategic plan for 2016-2021



Continuous deposit growth

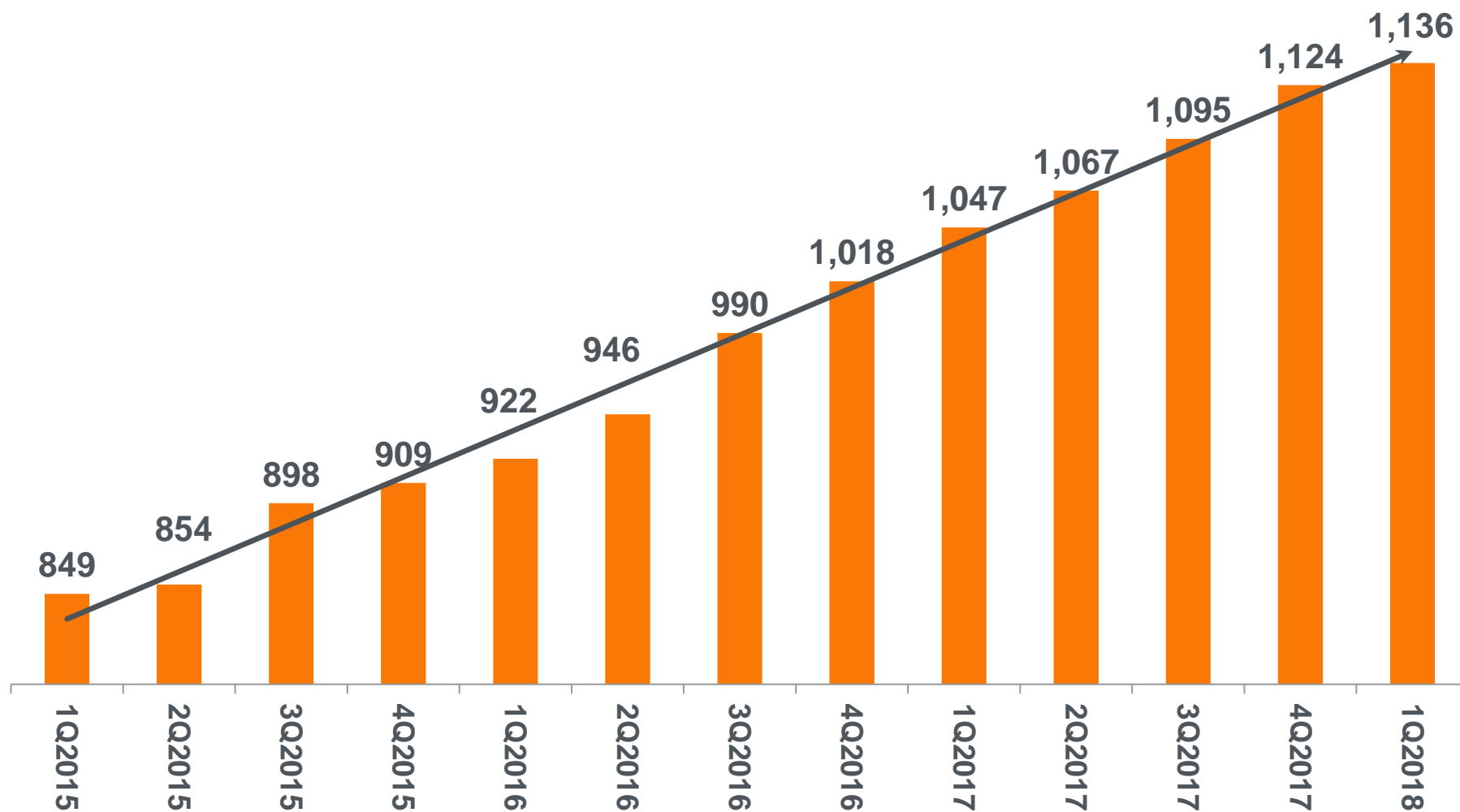
Deposits from the public
NIS mil



Average annual growth rate 7.5%



Financing revenues from current operations continue to grow (NIS m)





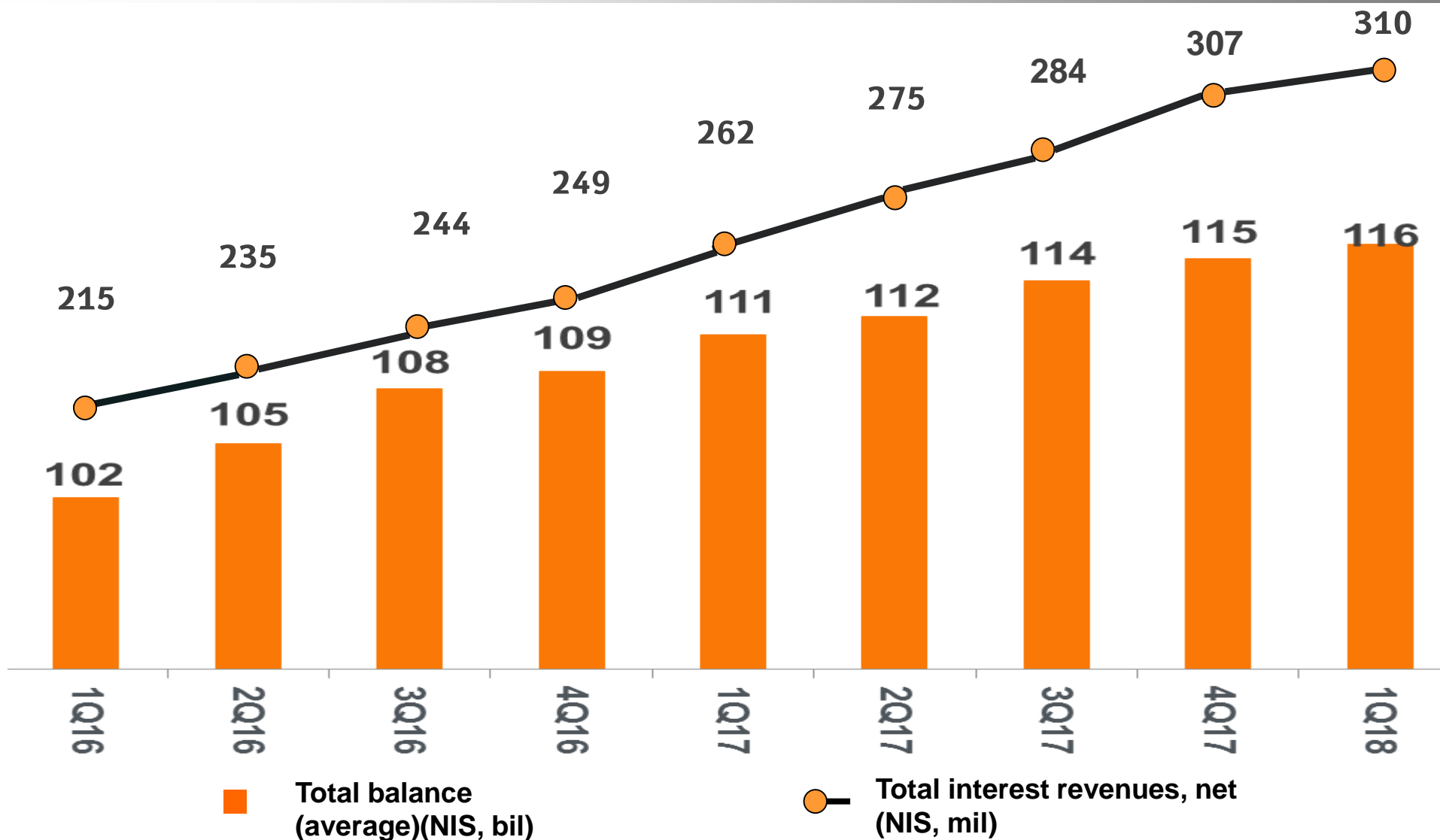
Growth in financing revenues in all business segments

(Financing revenues (NIS m			
	Q1 2018	Q1 2017	of change %
Housing loans	357	304	17.4%
Households and private banking	324	294	10.2%
Small and micro businesses	232	205	13.2%
Medium businesses	58	48	20.8%
Large businesses and institutional investors	159	136	16.9%
Overseas operations	52	40	30.0%

Double digit growth in all business segments



Mortgages –balance and revenues*

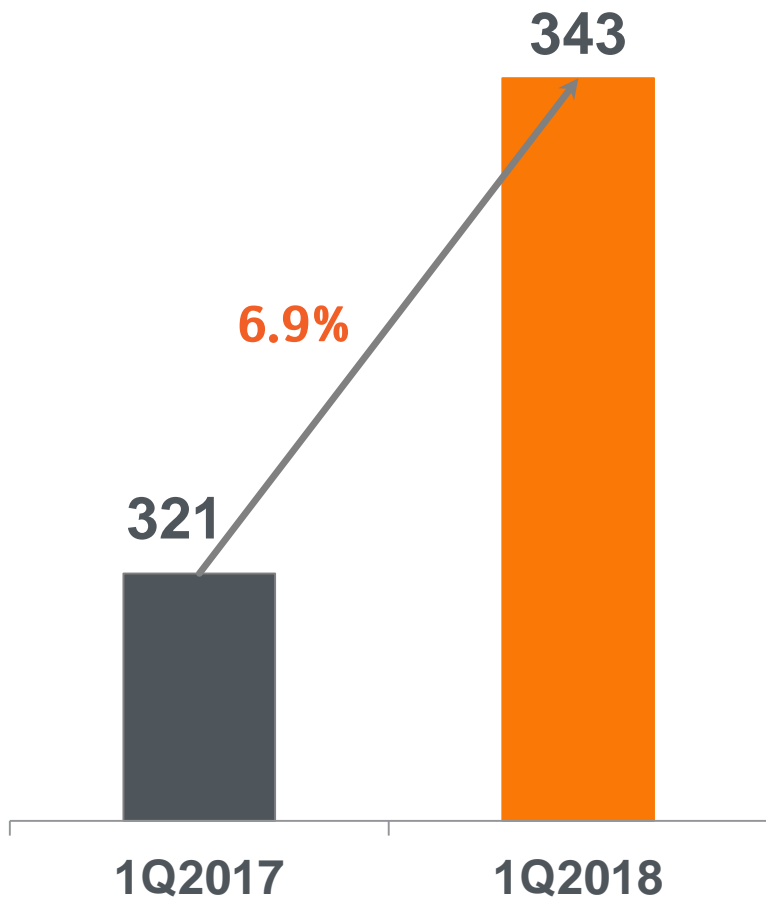


* Operating segments in conformity with management approach. Note 12 to quarterly reports

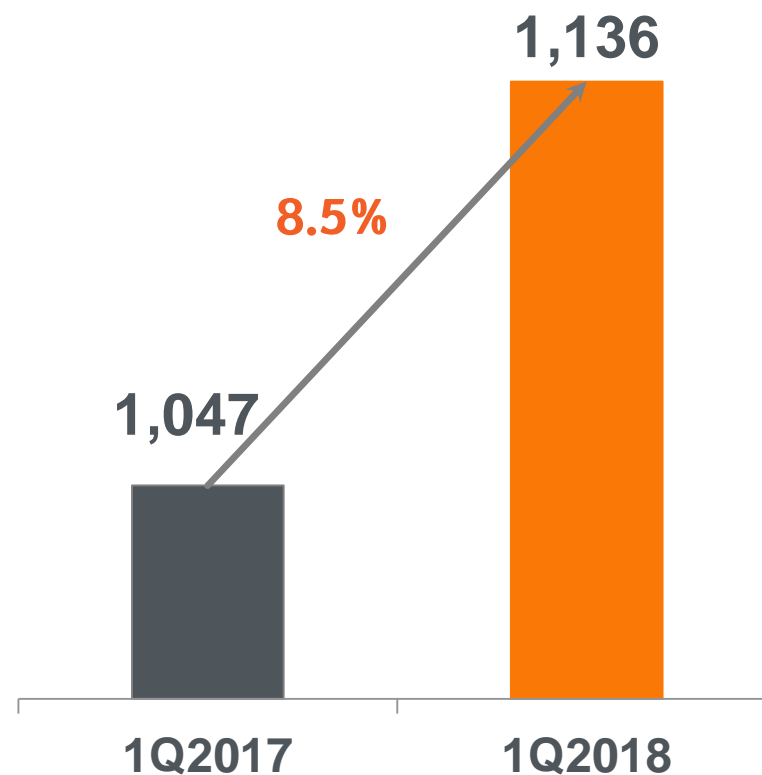


Growth in net profit and financing revenues from current operations

Net profit

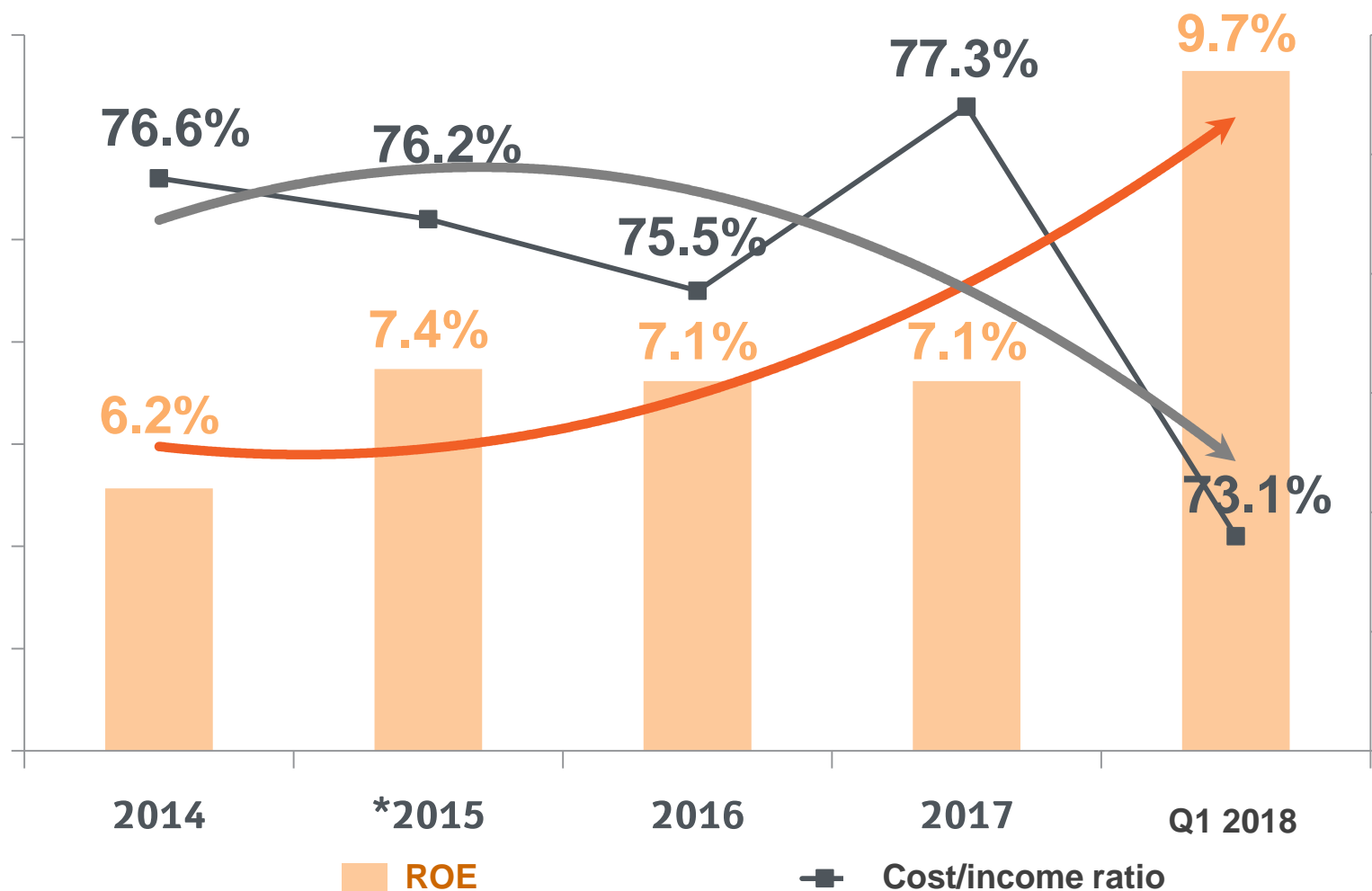


Financing revenues from current operations





After new IT system successful implementation, Yahav bank presents strong business results



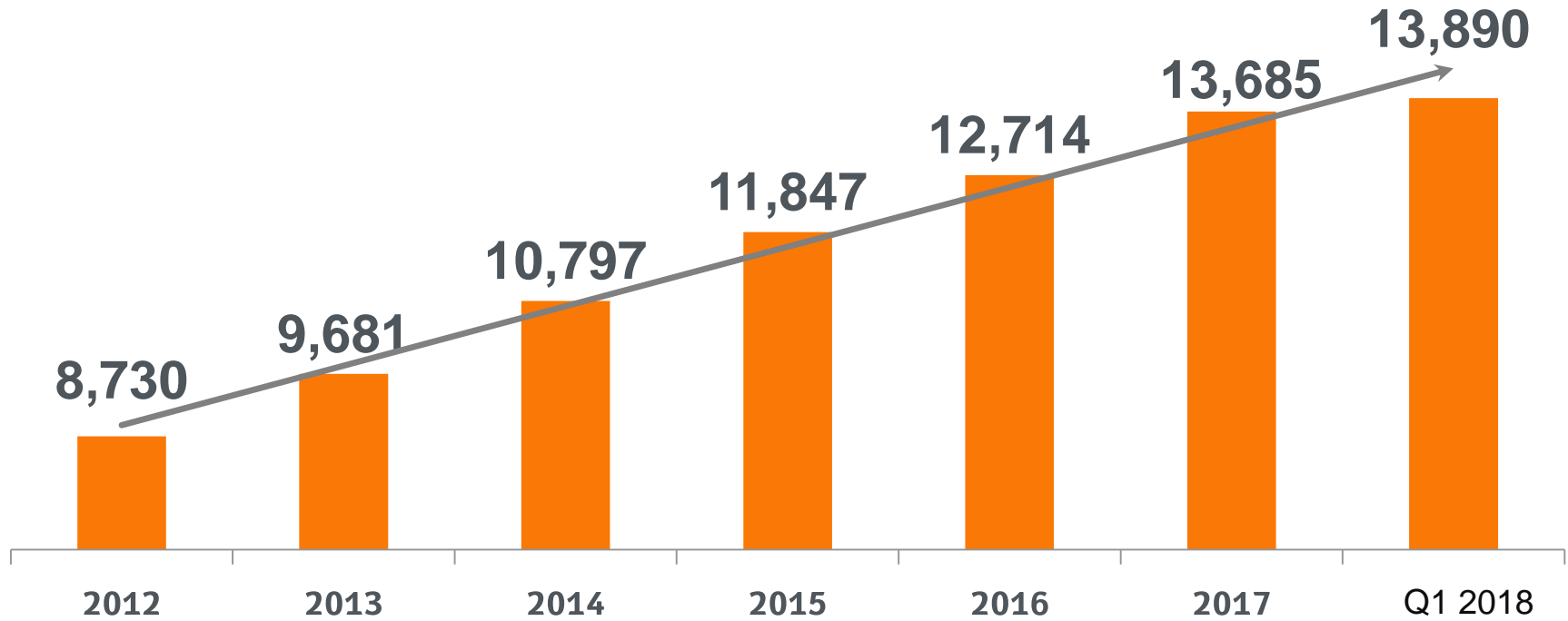
* 2015 results exclude extraordinary profit from capital market activity, the non-adjusted ROE is 11.3%, and cost/income ratio of 68.1%

Financial assets administration services			
Segment	31.3.2018	31.3.2017	% of change
Provident funds operation	79,544	76,580	3.9%
Trustee assets	79,681	72,363	10.1%
Mutual funds operation	17,138	16,028	6.9%
Other managed assets	13,103	12,517	13.8%



Increasing equity base (NIS mil)

Average annual growth rate 9.3%

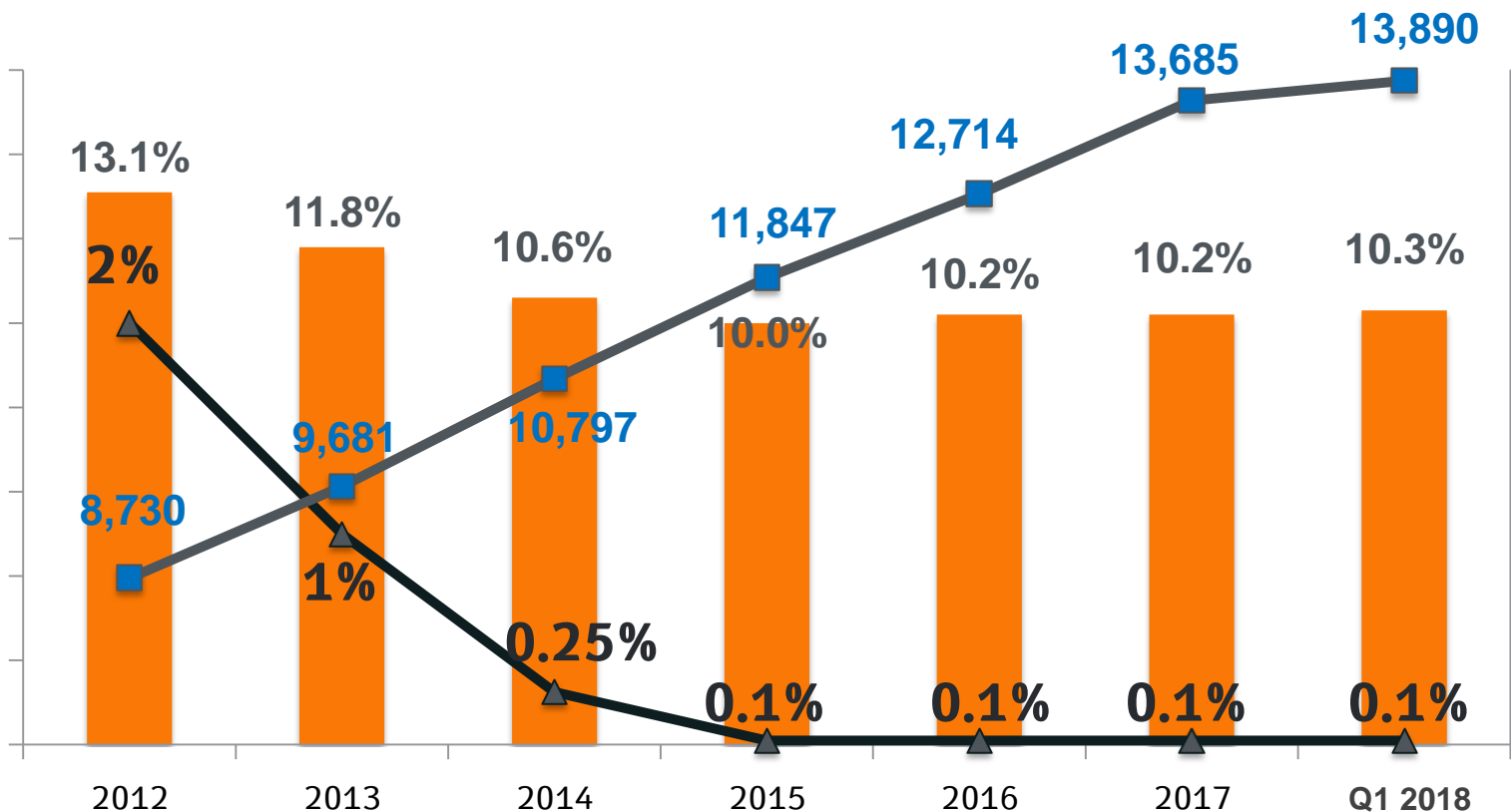




Double digit ROE despite dramatic increase in equity and extremely low interest rate

ROE

Equity
(NIS mil)

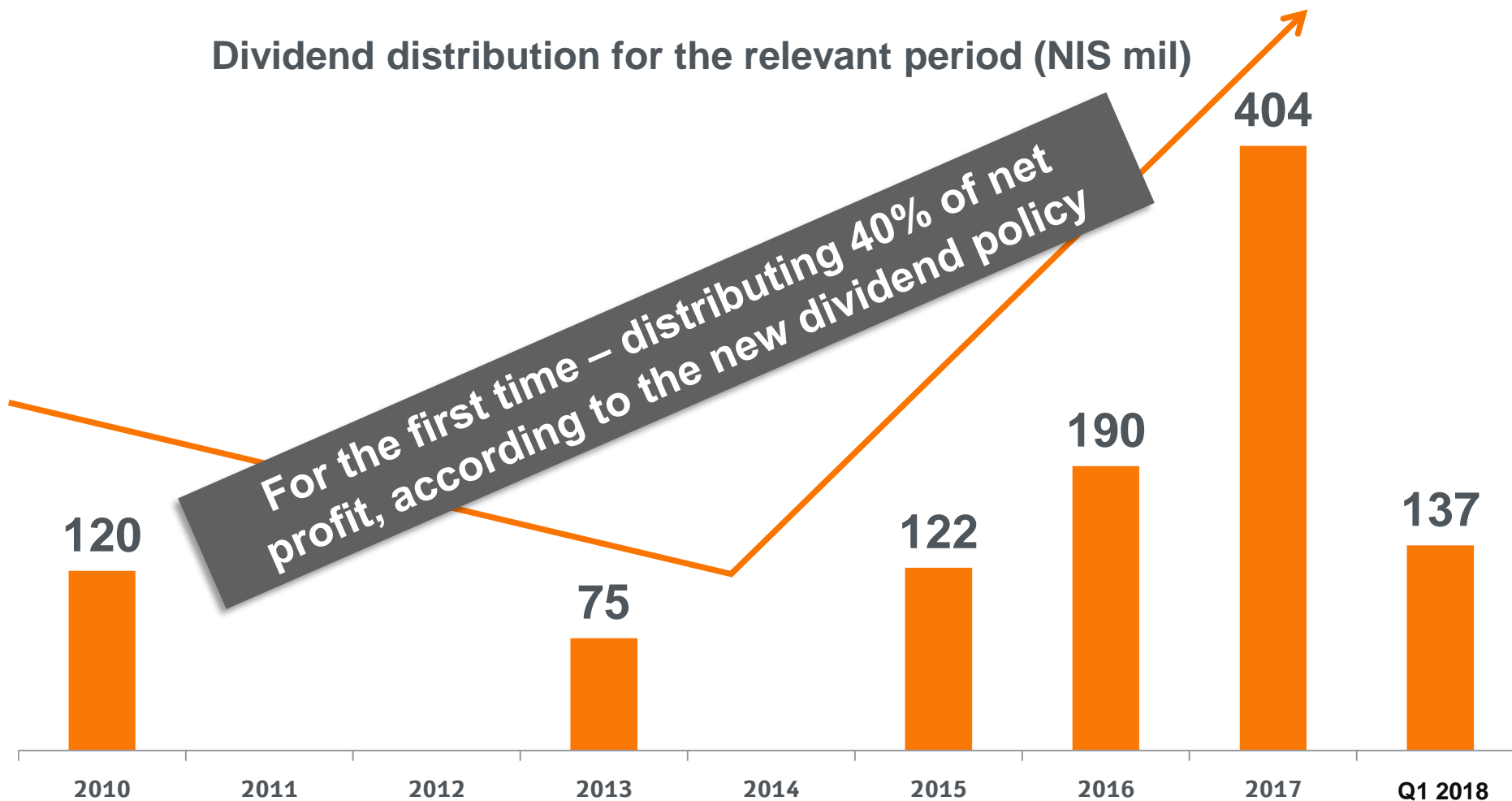


In black – Bank of Israel interest rate at the end of the period



Dividend

Dividend distribution for the relevant period (NIS mil)

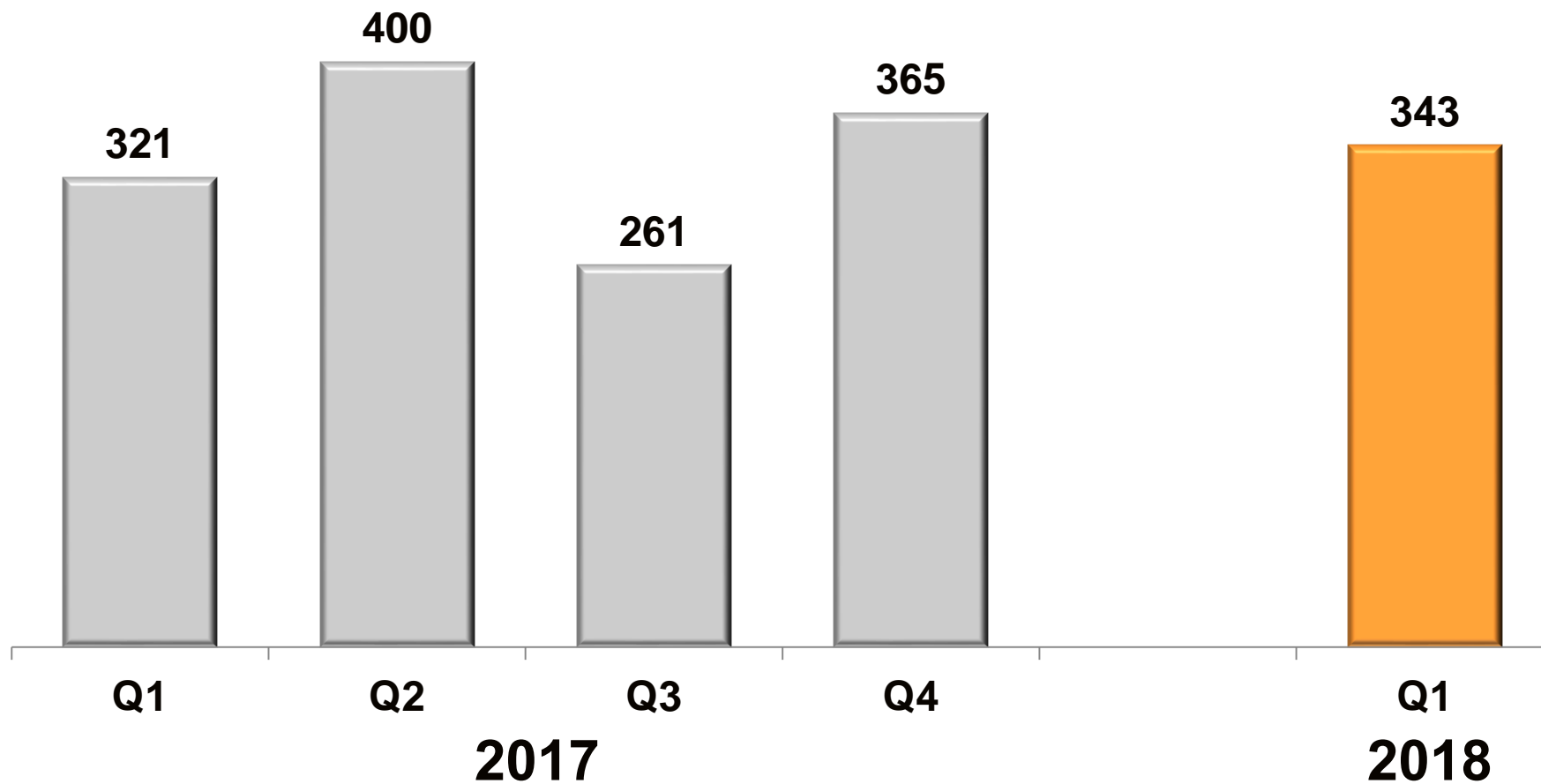




Financial results

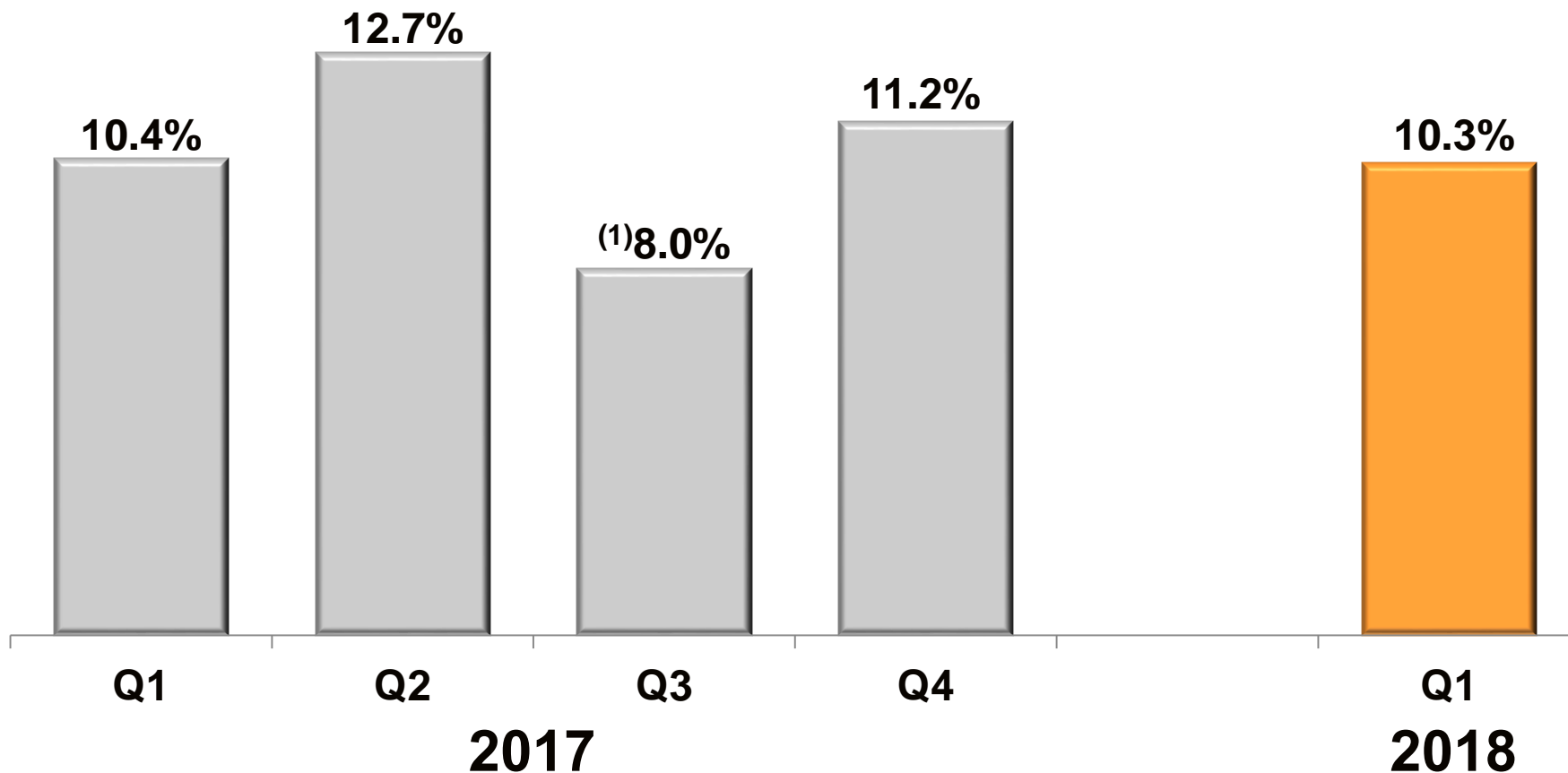


Net profit (NIS mil)



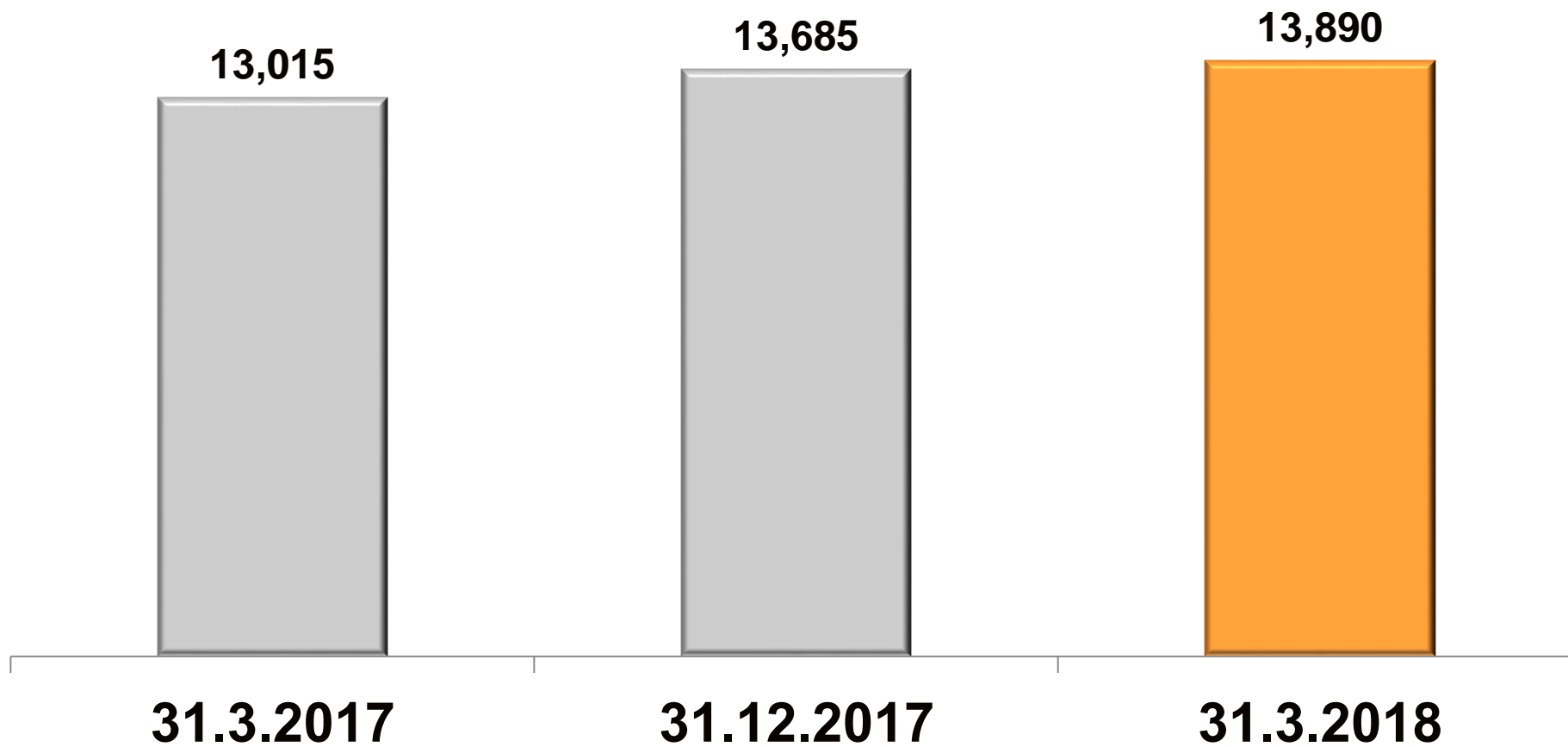


Net profit - ROE



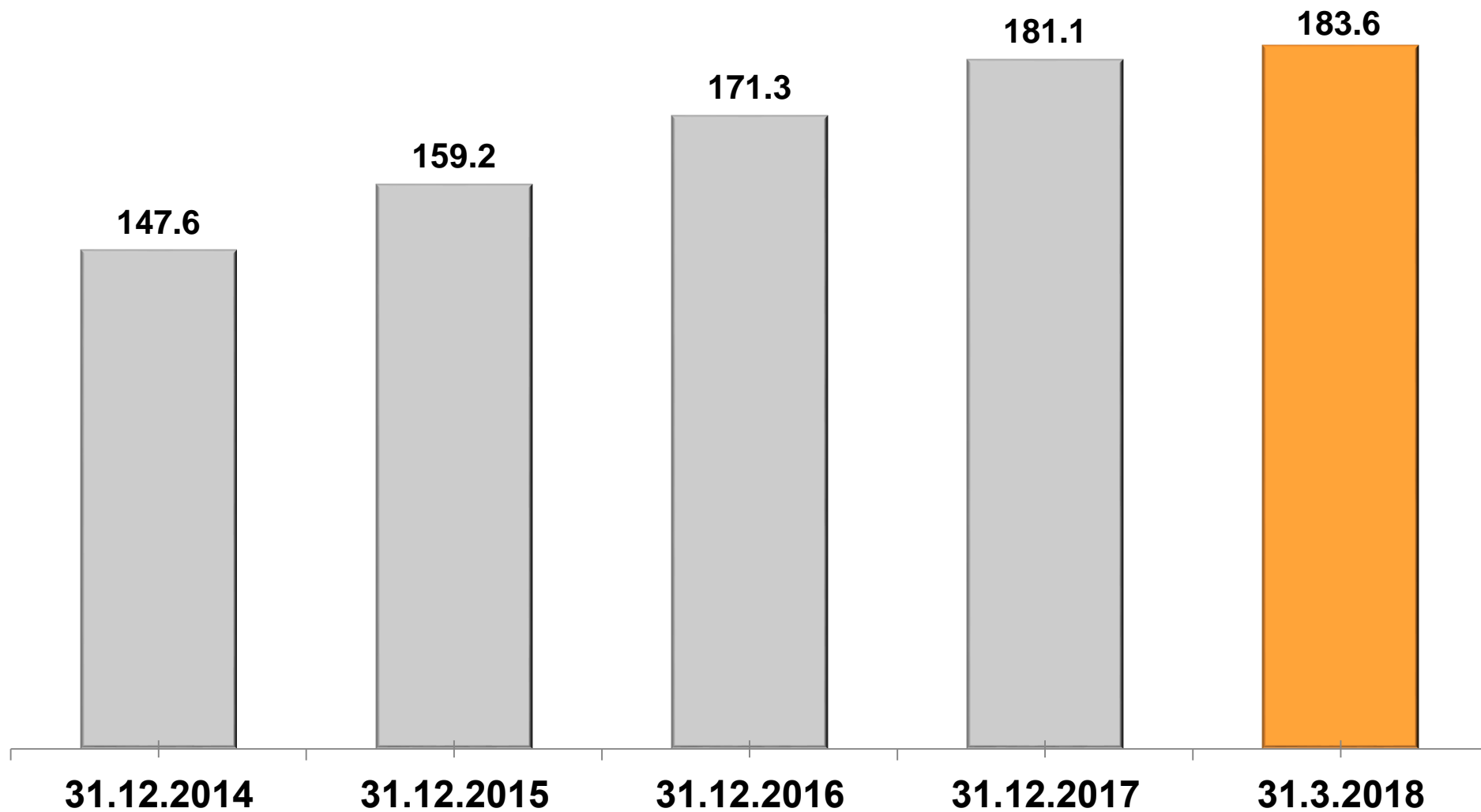


Equity (NIS mil)



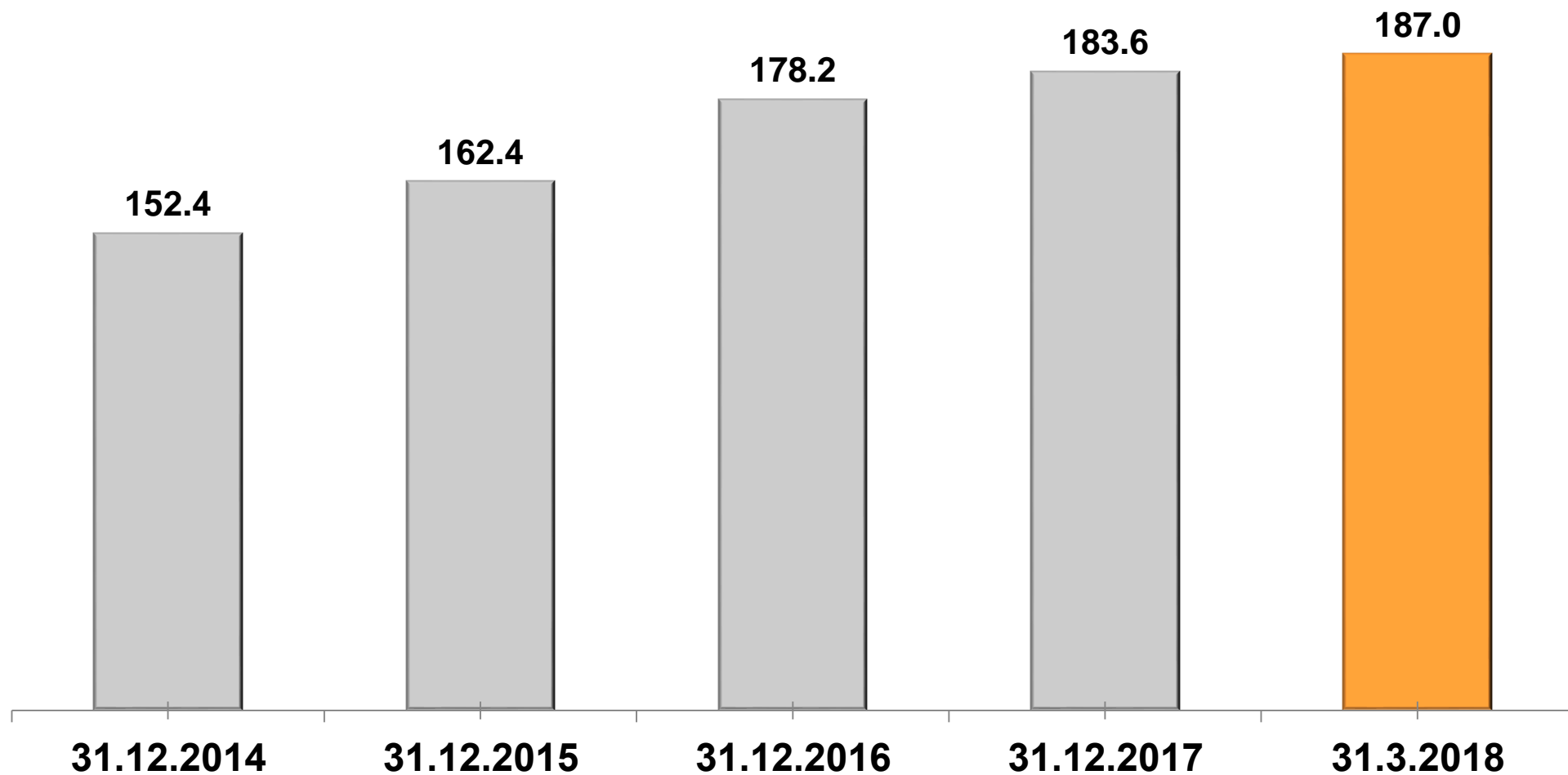


Loans to the public (NIS bil)





Deposits from the public (NIS bil)



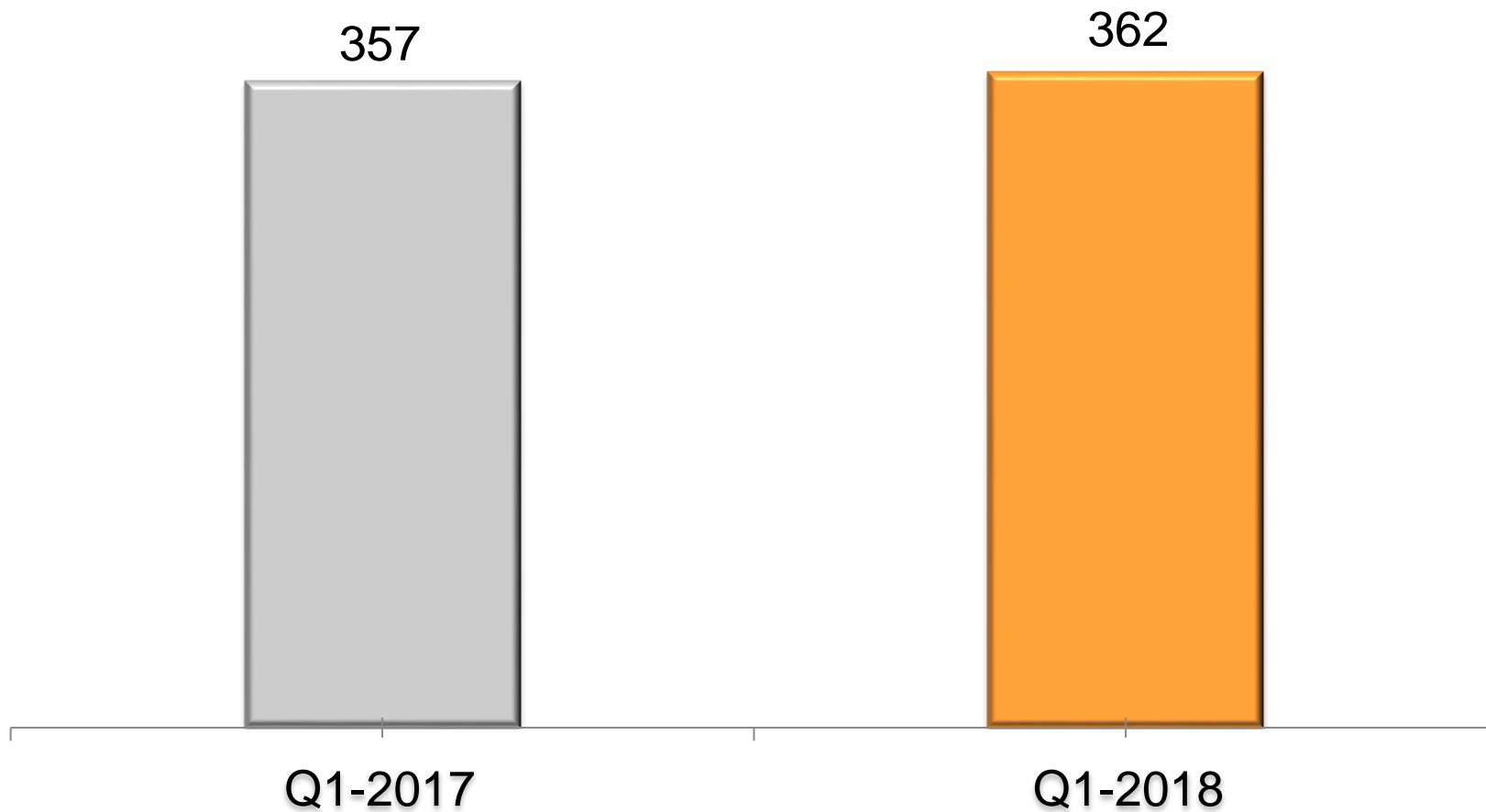


Financing Revenues (NIS mil)

	Q1/2017	Q1/2018	Rate of change
Interest revenues, net	1,027	1,081	
Non-interest financing revenues	(1)	90	
Total financing revenues	1,026	1,171	14.1
Less:			
Linkage differentials with respect to CPI position	(21)	(39)	
Revenues from collection of interest on troubled debt	13	12	
Gain from debentures	7	2	
Effect of accounting treatment of derivatives at fair value and others	(20)	60	
Total effects other than current operations	(21)	35	
Total financing revenues from current operations	1,047	1,136	8.5

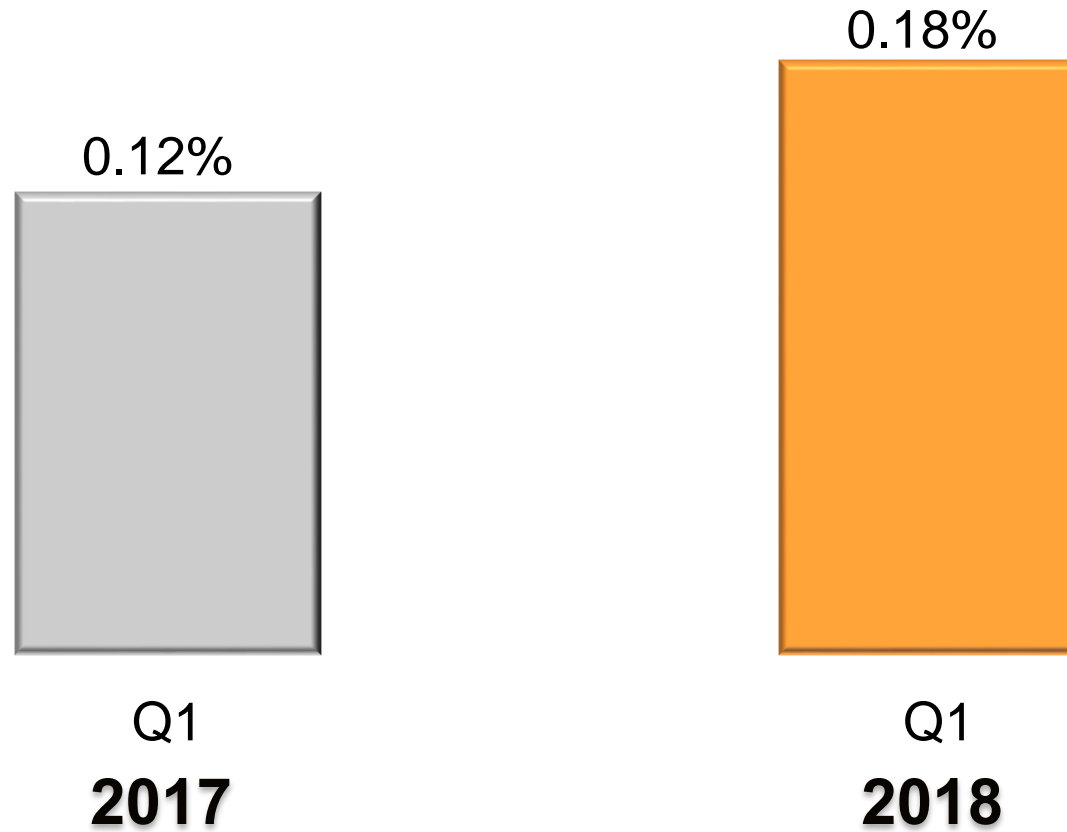


Commissions (NIS mil)



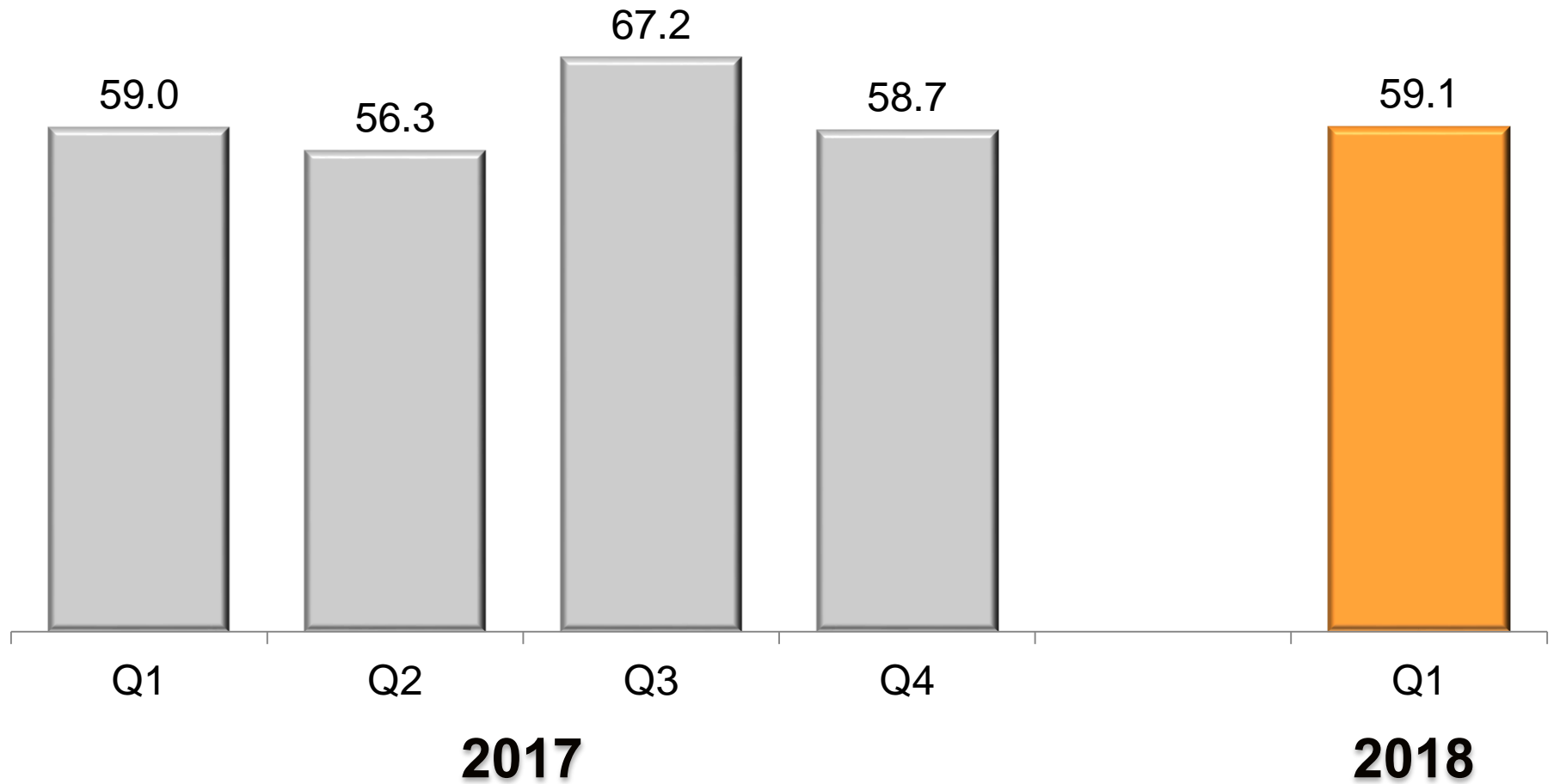


Provisions / loans to the public



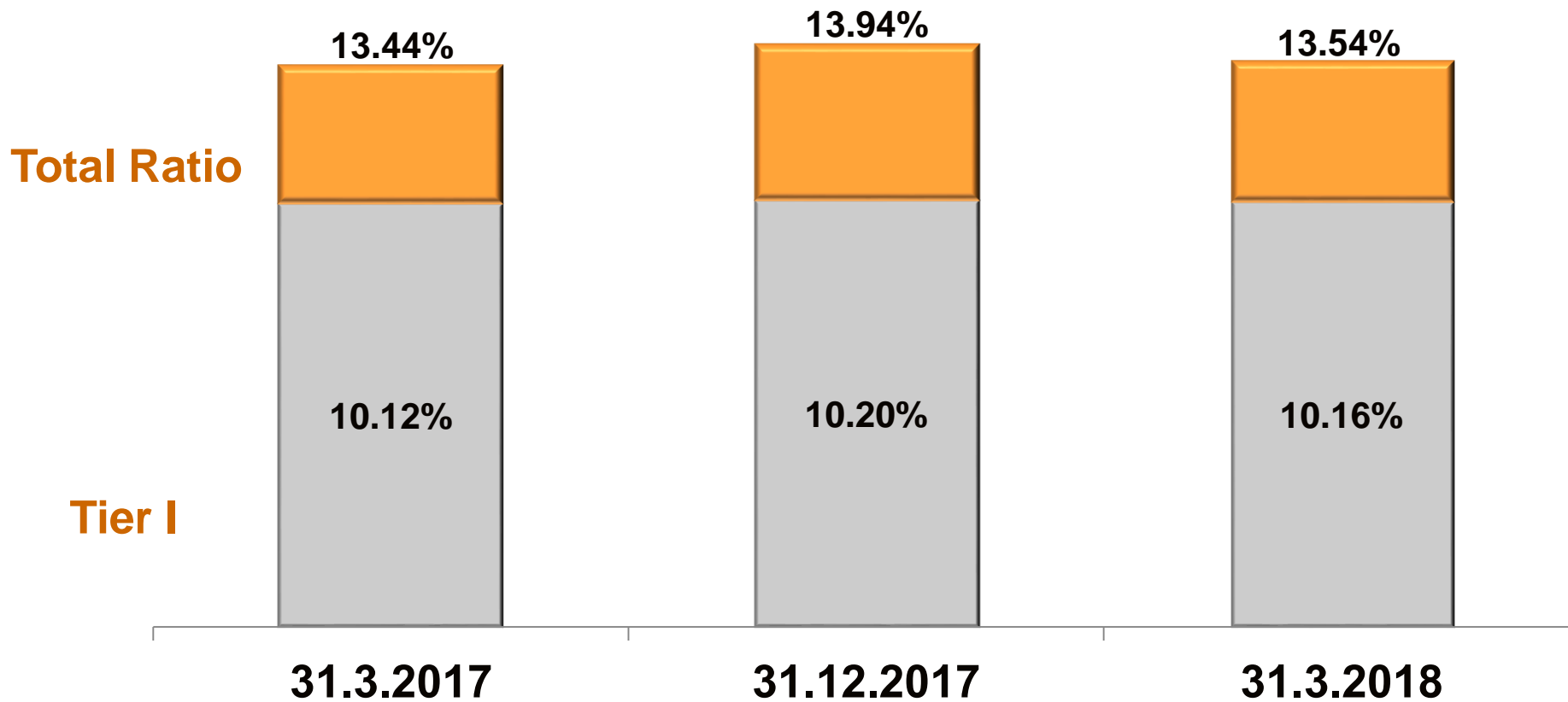


Cost / income ratio





Capital adequacy





Dividend (NIS mil)

