



MIZRAHI TEFAHOT

Financial Statements

December 2017



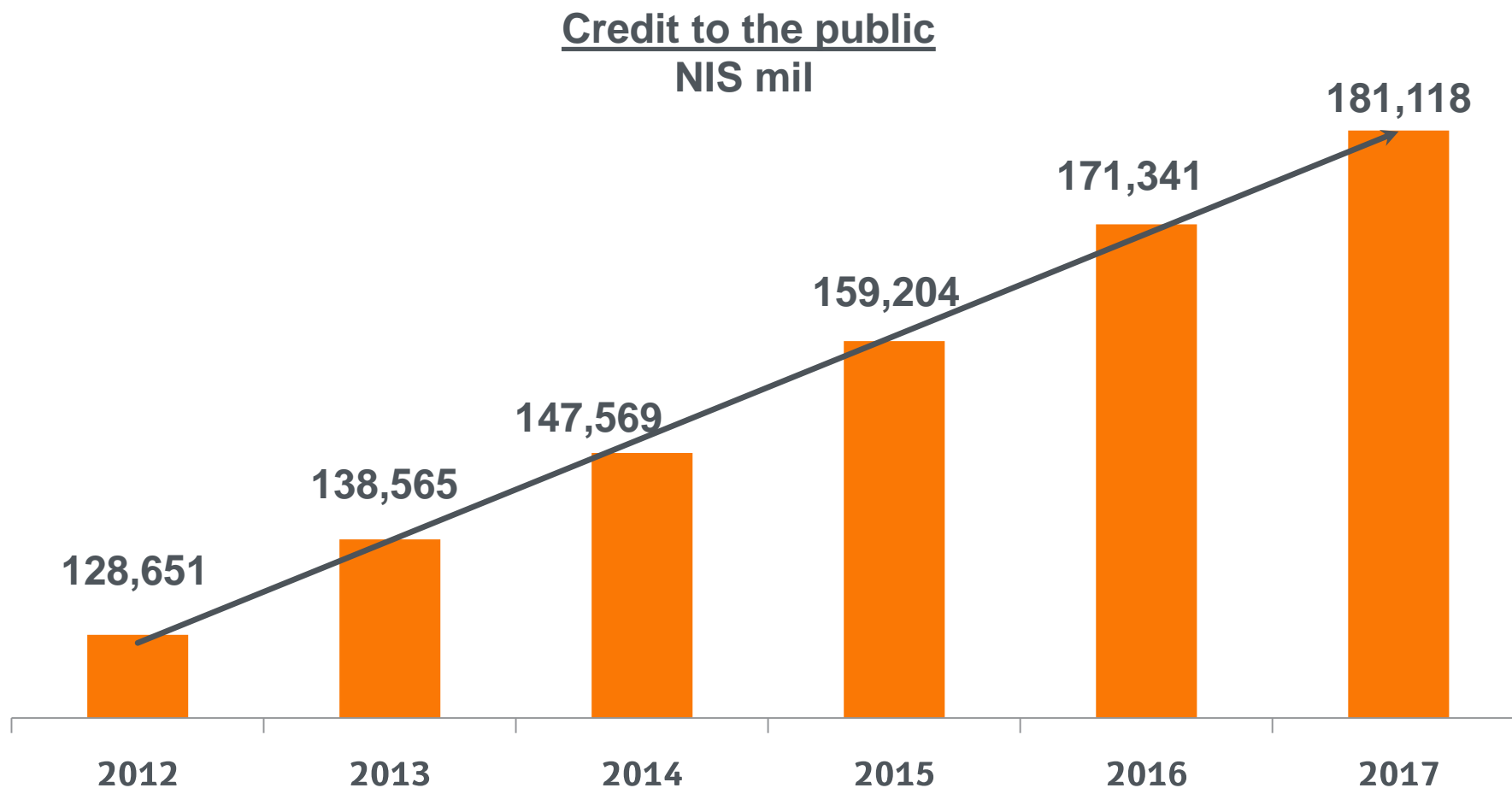


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Continuous loan growth



Average annual growth rate 7.1%



Credit growth in all significant segments

Business segments lead the growth in accordance with the strategic plan

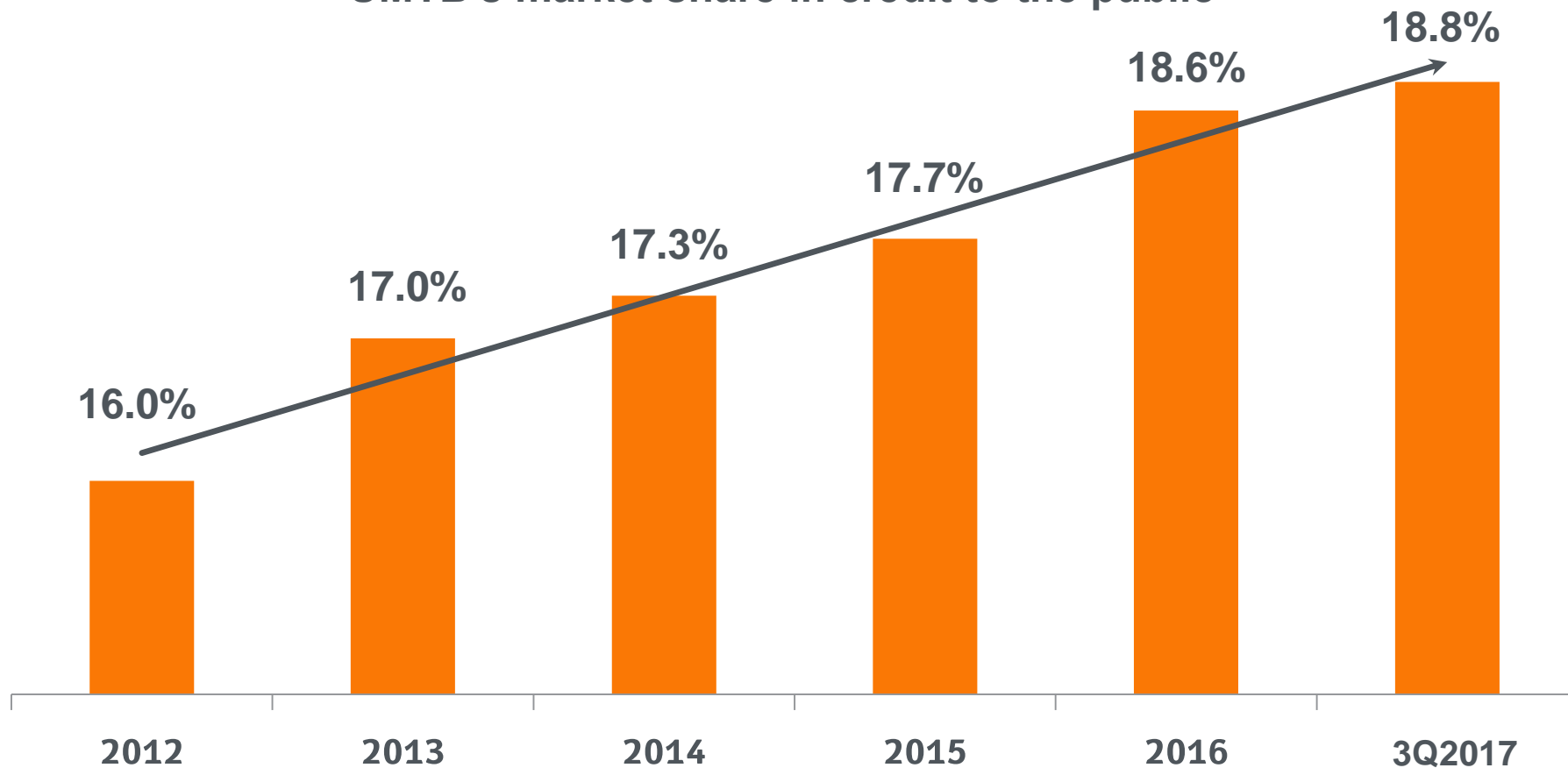
Loans to the public (NIS mil)			
	2017	2016	% of change
Housing loans	119,557	114,076	4.8%
Households and Private banking	19,943	18,676	6.8%
Small and micro businesses	16,716	15,122	10.5%
Medium businesses	5,779	4,785	20.8%
Large businesses and Institutional investors	16,007	15,459	3.5%
Overseas operations	3,116	3,223	(3.3%)*
Total	181,118	171,341	5.7%

* The decrease is due to exchange rates differences



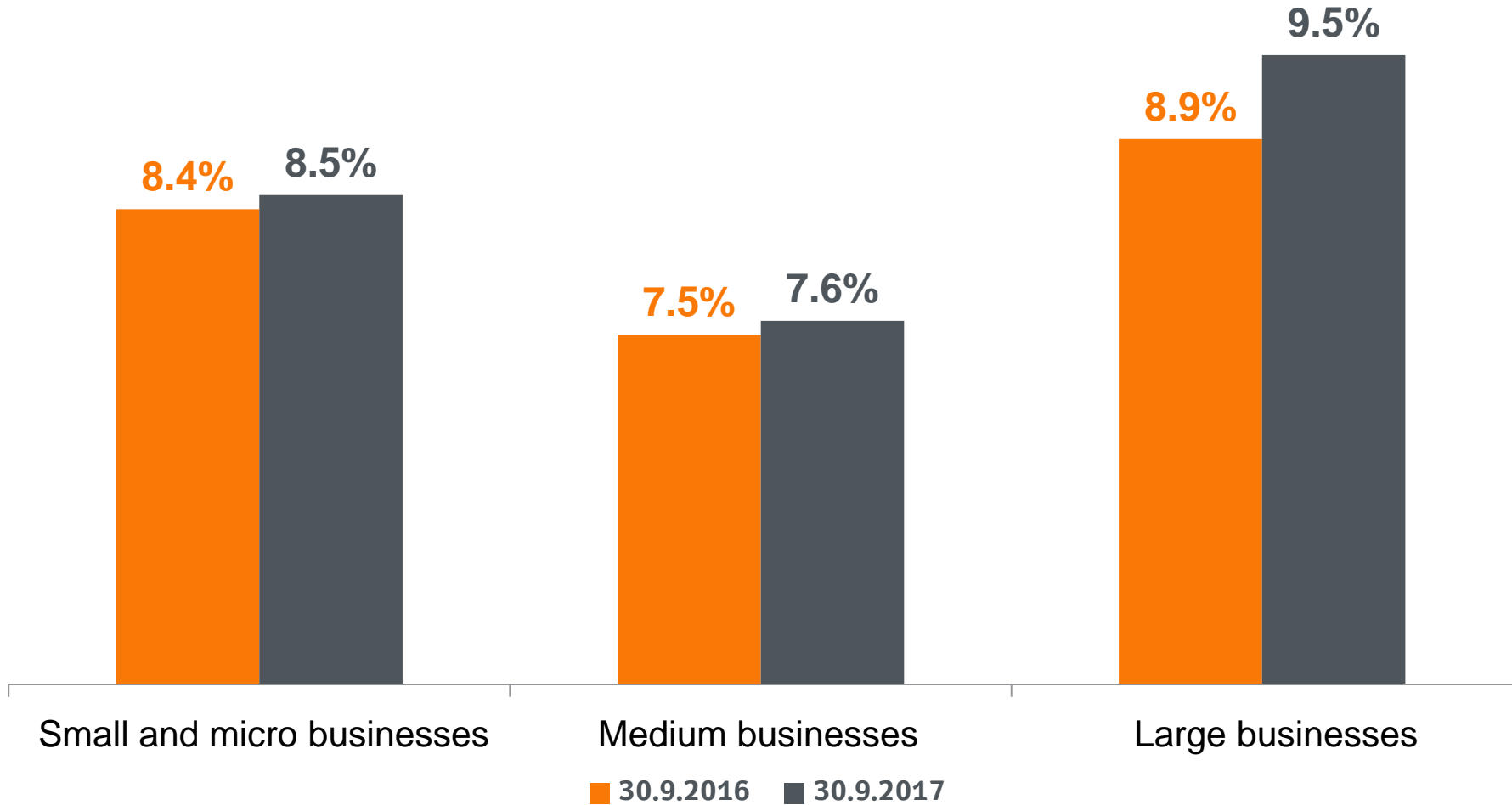
Credit to the public - growing market share

UMTB's market share in credit to the public



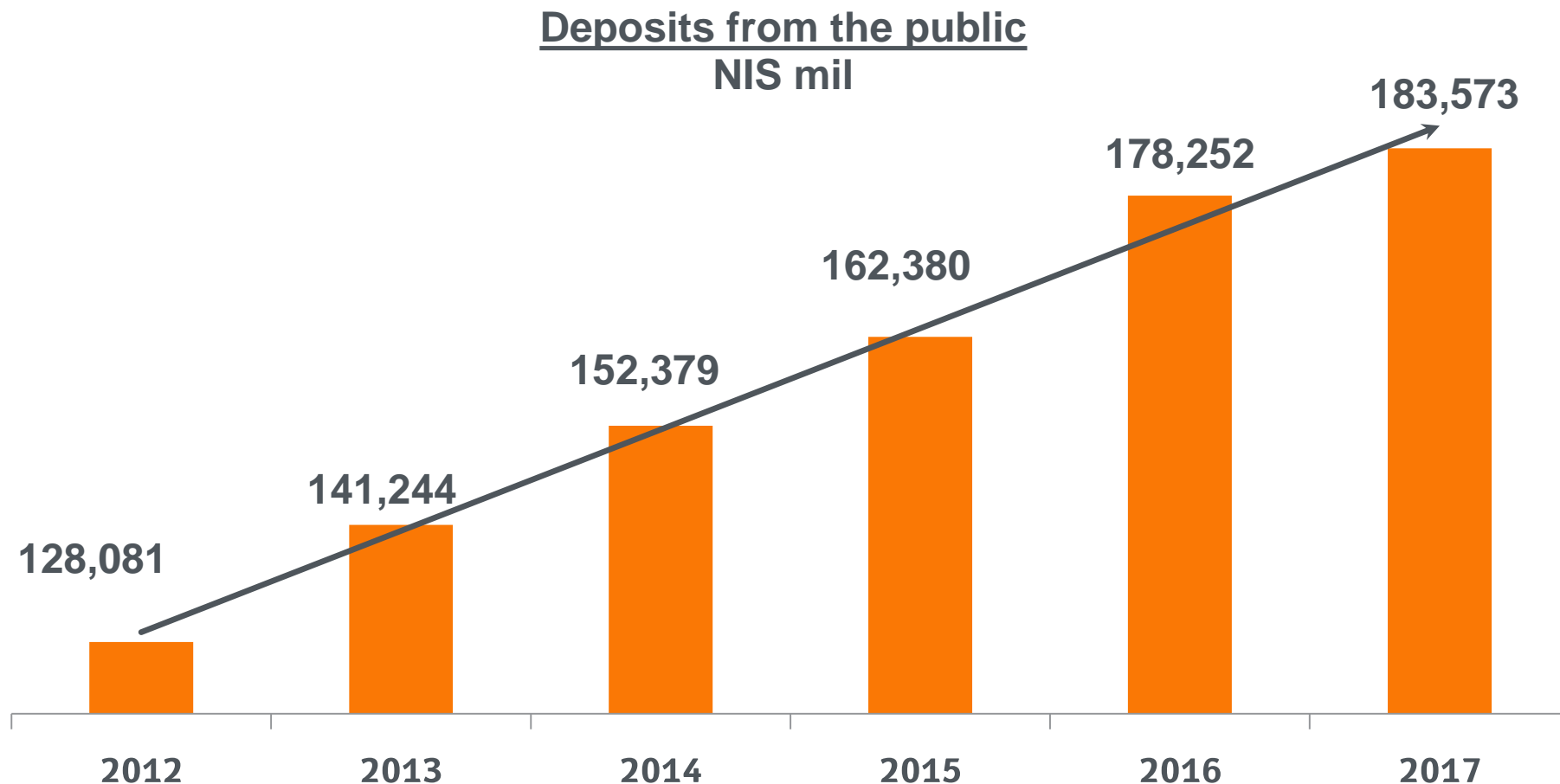


Growing market share in all business segments – in accordance with the strategic plan





Continuous deposit growth

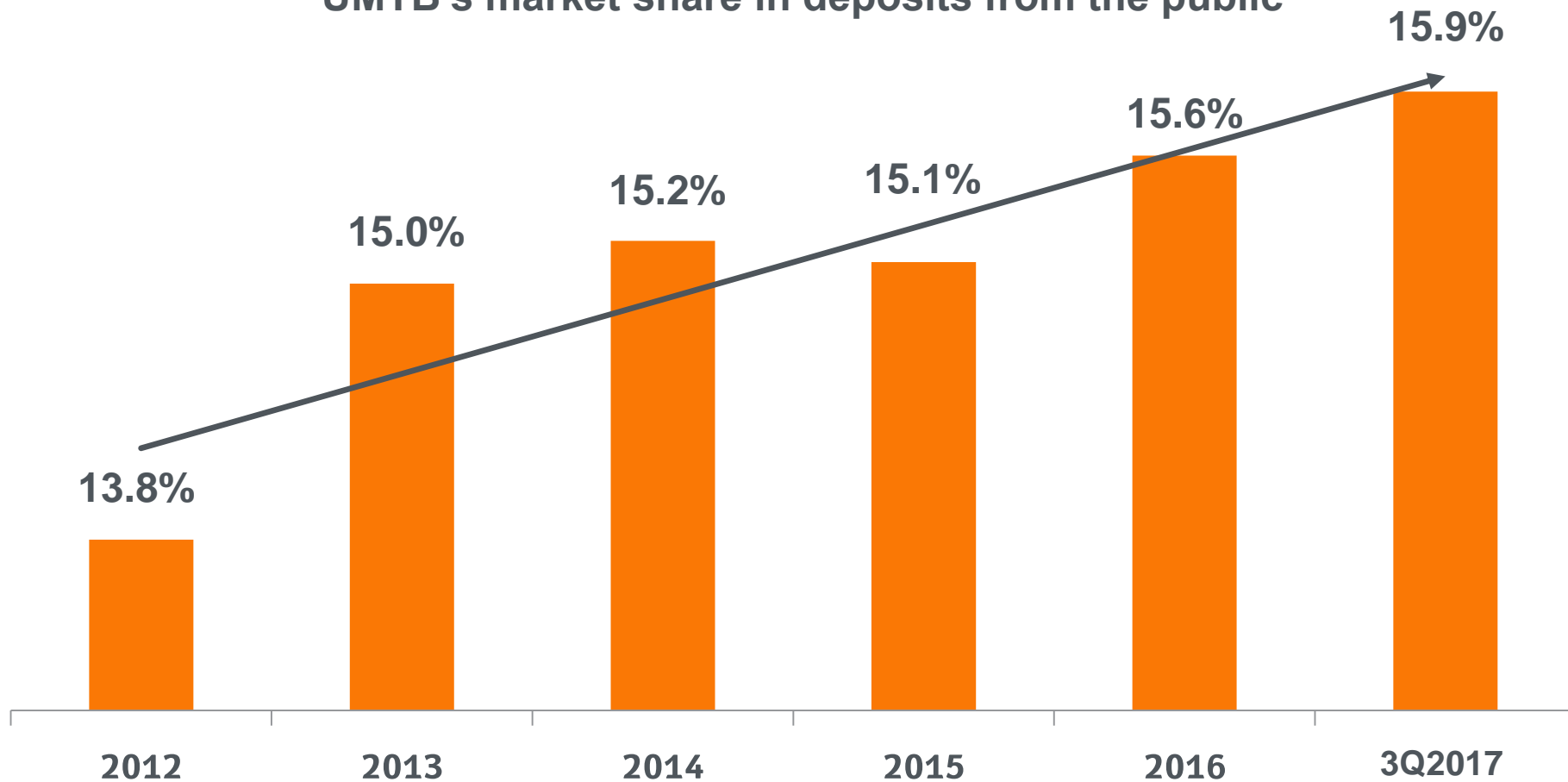


Average annual growth rate 7.5%



UMTB continue to increase its market share in deposits

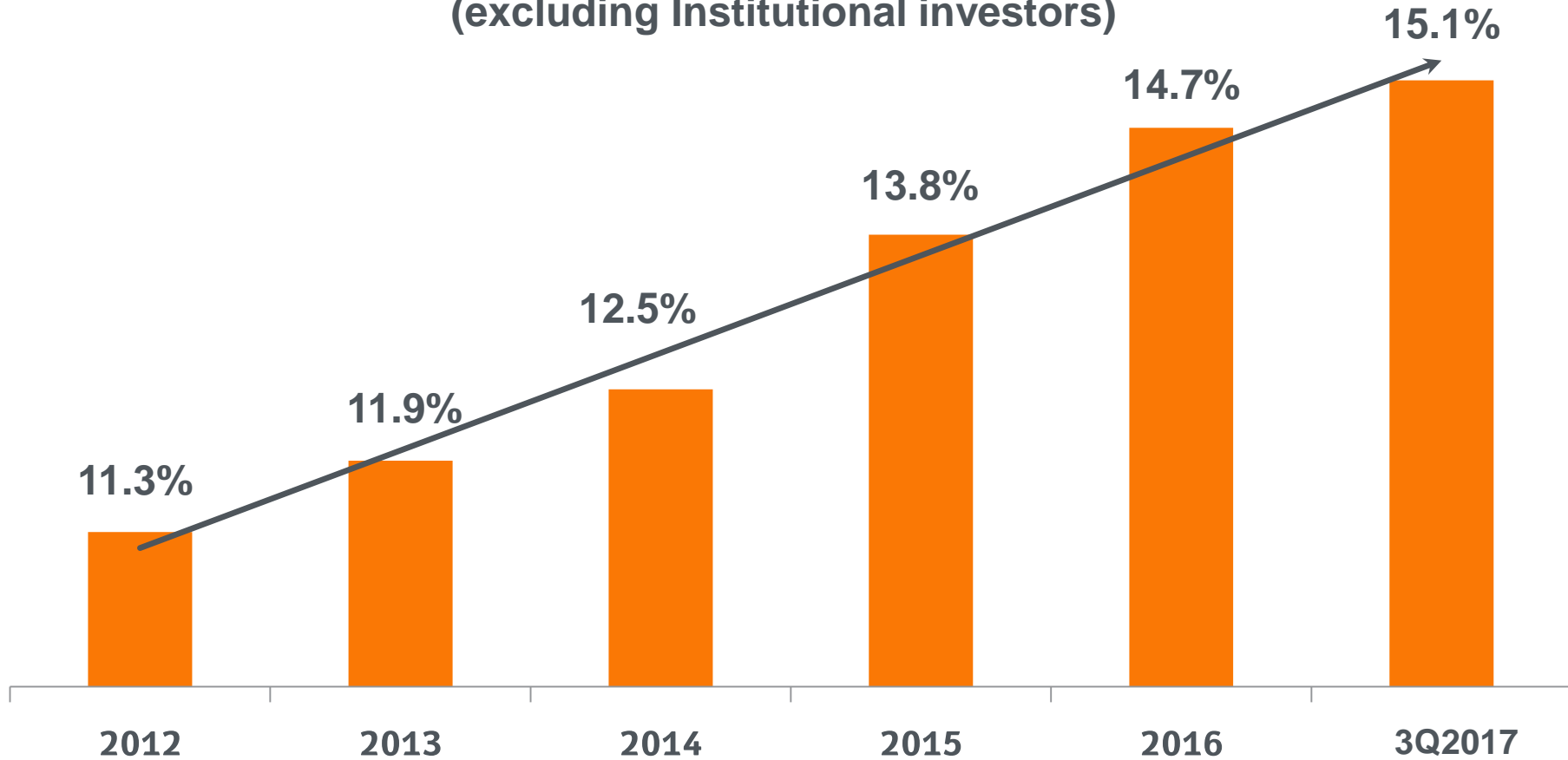
UMTB's market share in deposits from the public





...even more significant growth in market share of core deposits

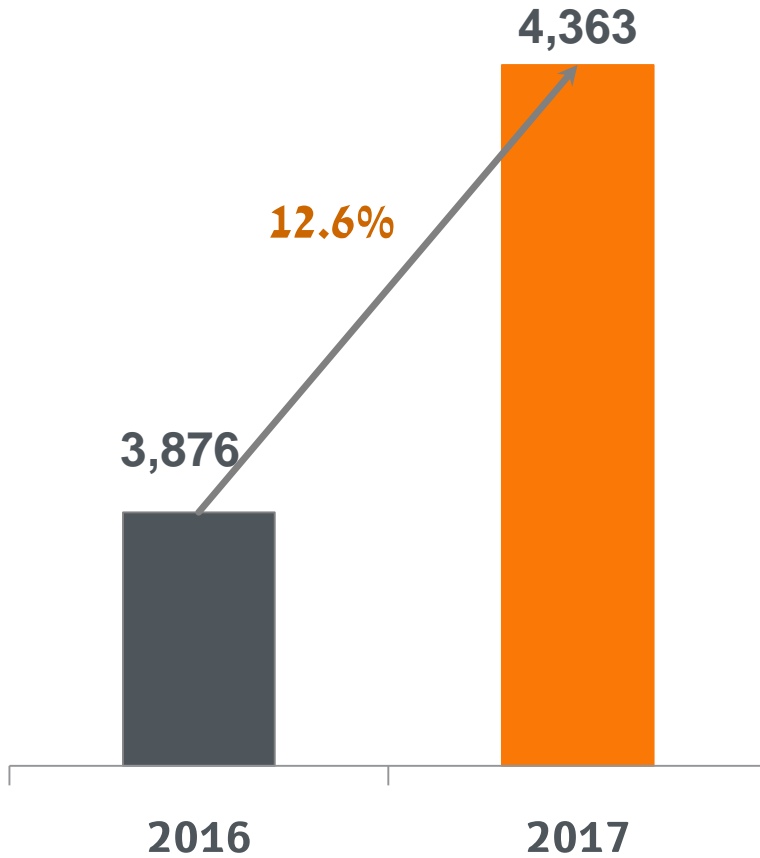
UMTB's market share in deposits from the public
(excluding Institutional investors)



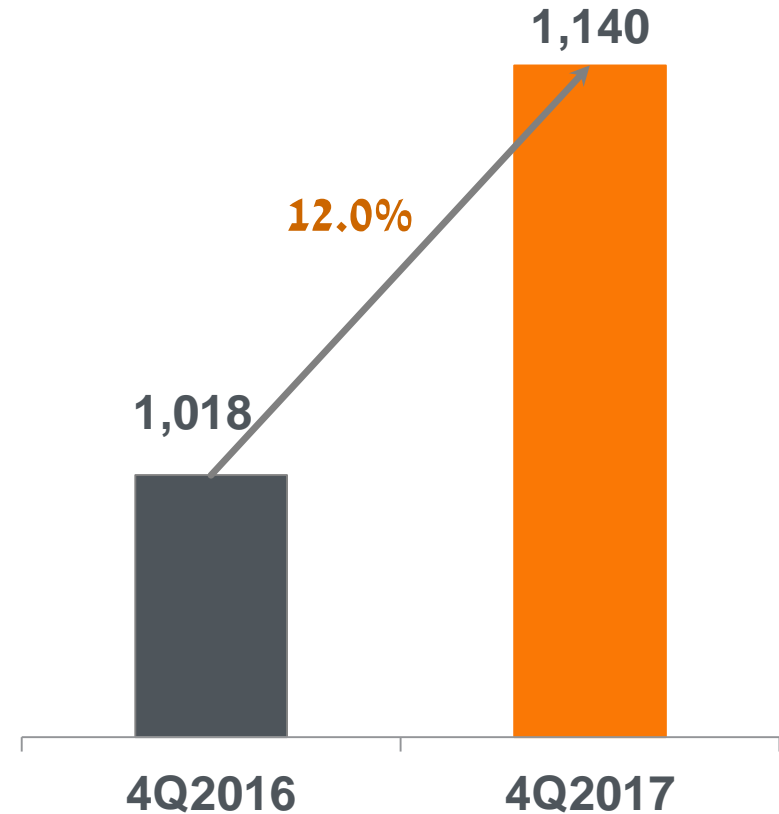


Double digit growth in financing revenues from current operations both Q/Q and Y/Y

Financing revenues from current operations

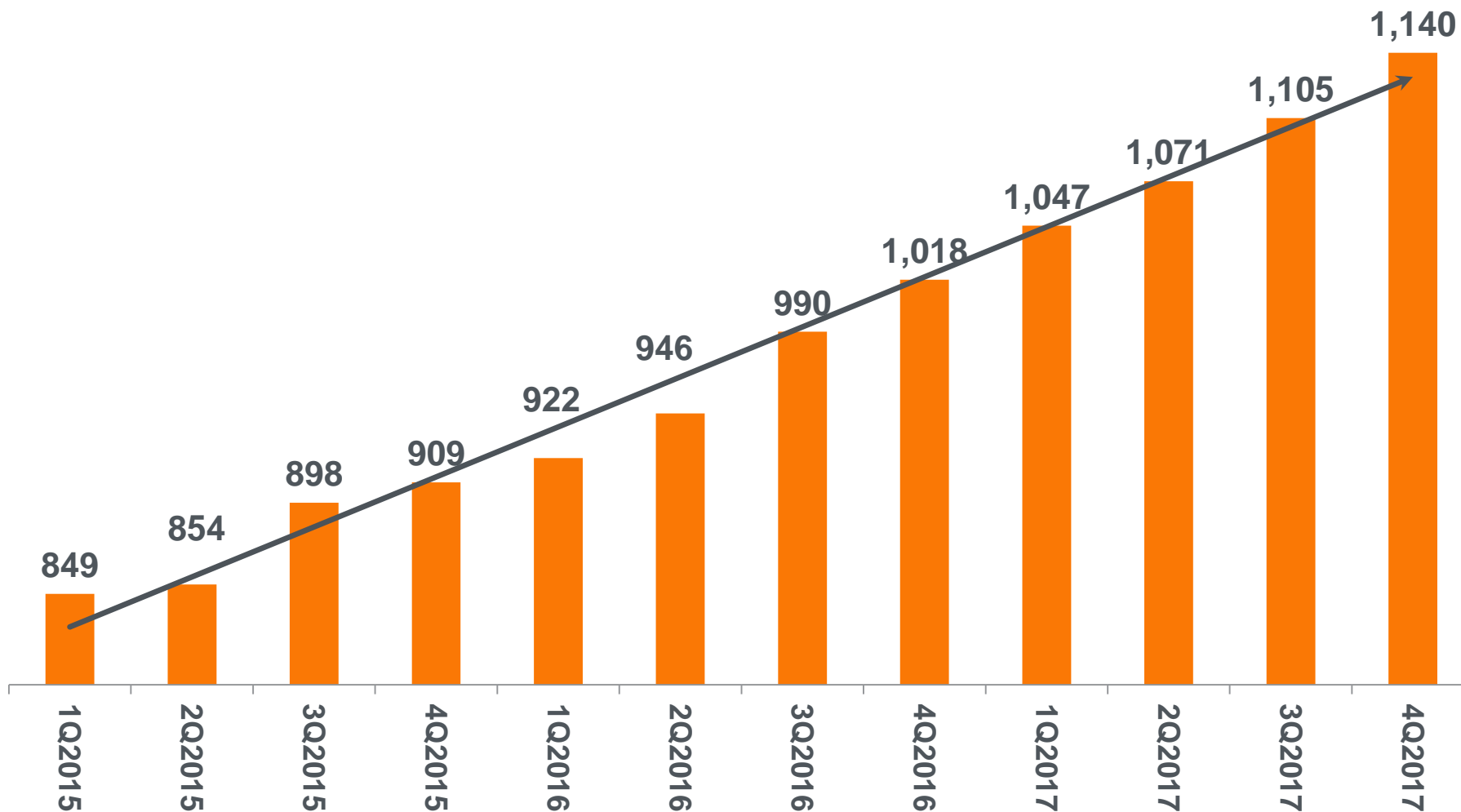


Financing revenues from current operations





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



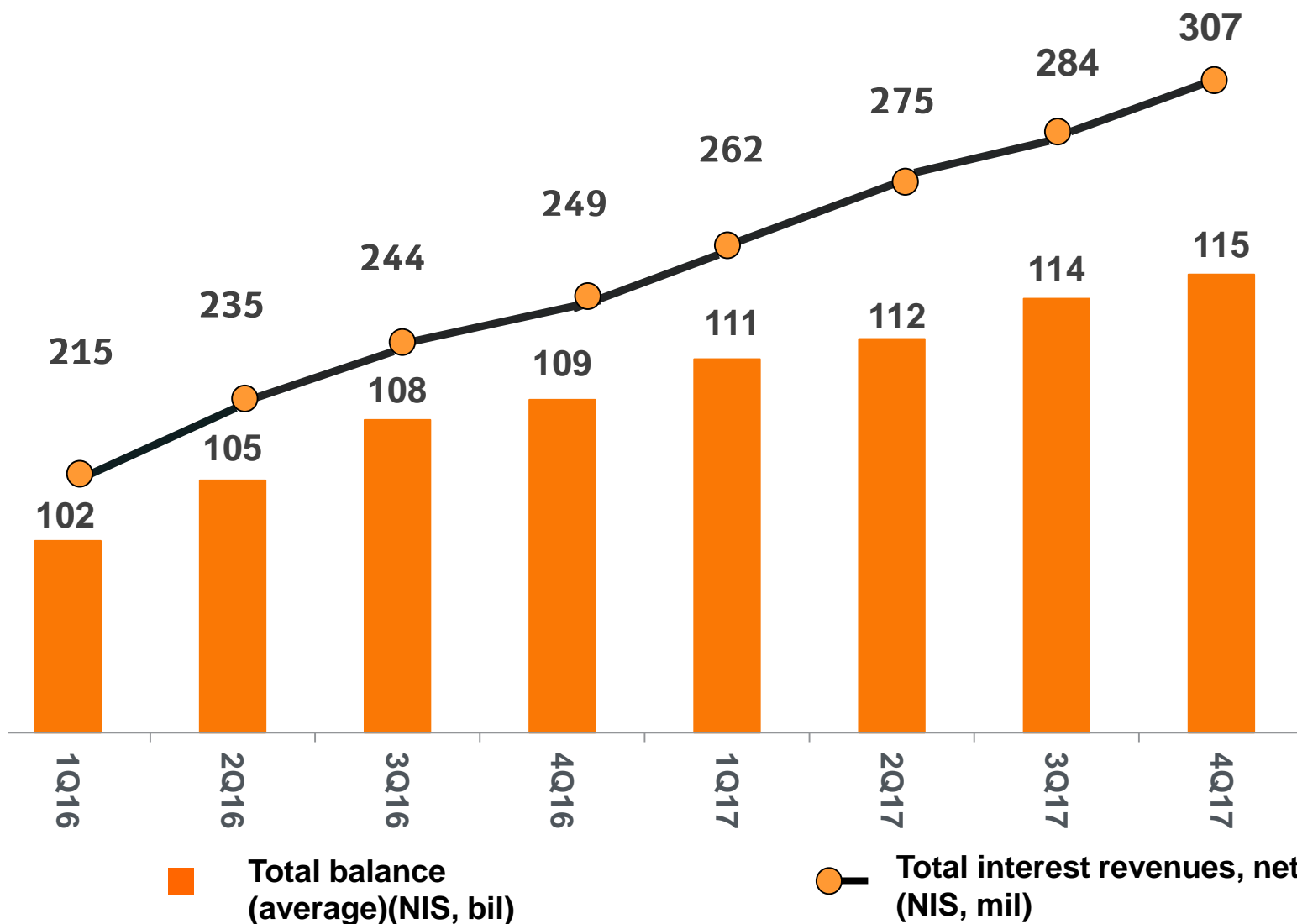


Growth in financing revenues in all business segments

Financing revenues (NIS m)			
	2017	2016	% of change
Housing loans	1,311	1,100	19.2%
Households and private banking	1,202	1,083	11.0%
Small and micro businesses	895	781	14.6%
Medium businesses	206	187	10.2%
Large businesses and institutional investors	574	551	4.2%
Overseas operations	169	158	7.0%



Mortgages –balance and revenues*

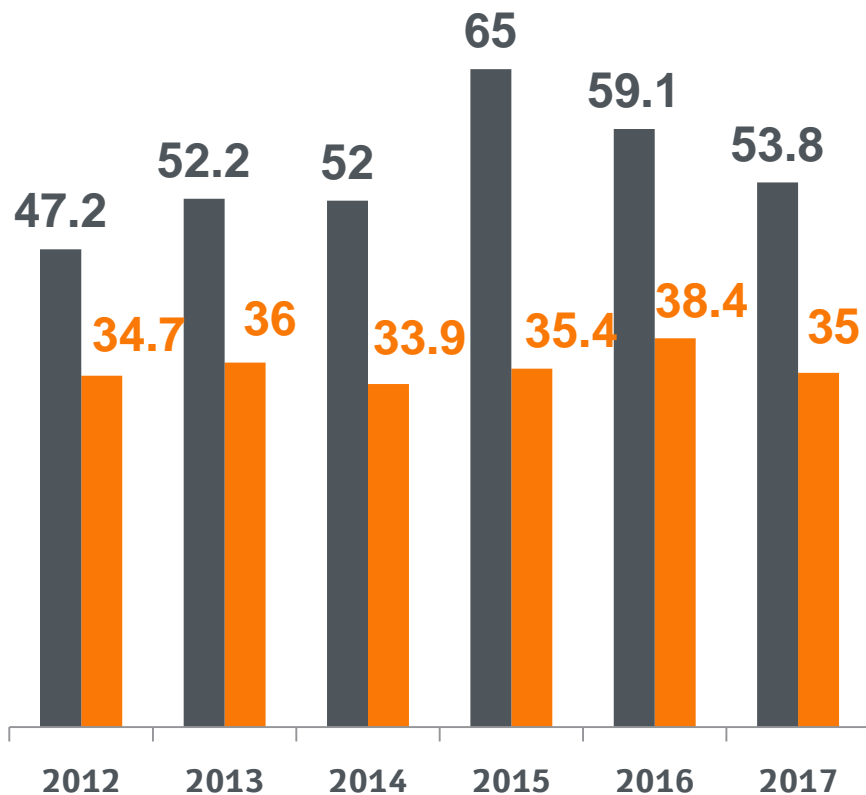


* Operating segments in conformity with management approach.
Note 12 to quarterly reports, Note 29 to annual reports



Ensuring high quality underwriting of mortgage loans

Mortgage initiations (system)(NIS bil)
UMTB's market share (%)



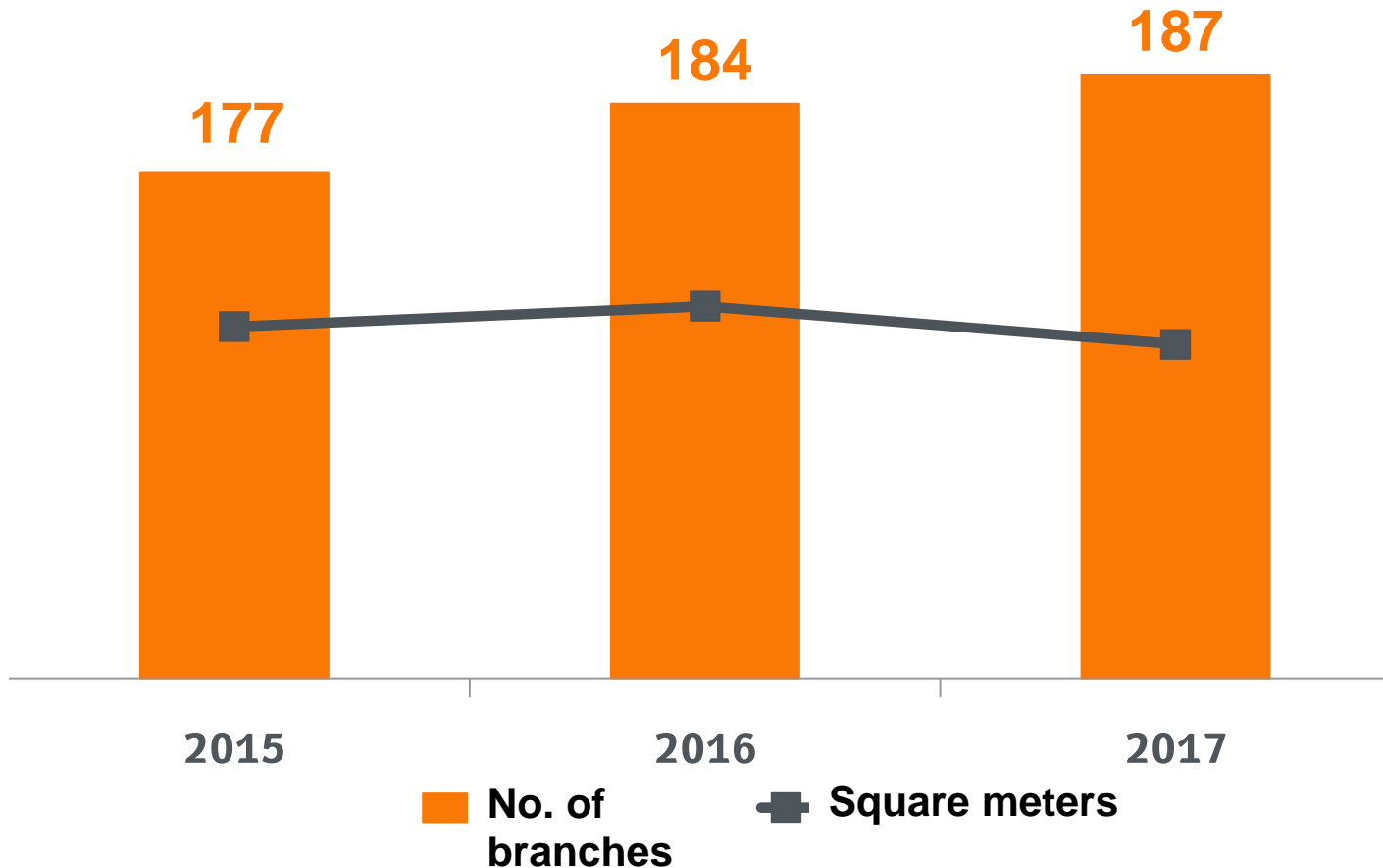
Main risk parameters in mortgages (system)

*2011		2017
54.6%	Average LTV*	49.2%
32.6%	Average payment to income	26.2%
1.59%	Rate of mortgages in arrears* ** out of the total mortgage portfolio	0.77%

* LTV and payment to income for the period 4-12/2011 compared to 1-12/2017. Mortgages in arrears 12/11 compared to 12/17.
** Over 90 days.

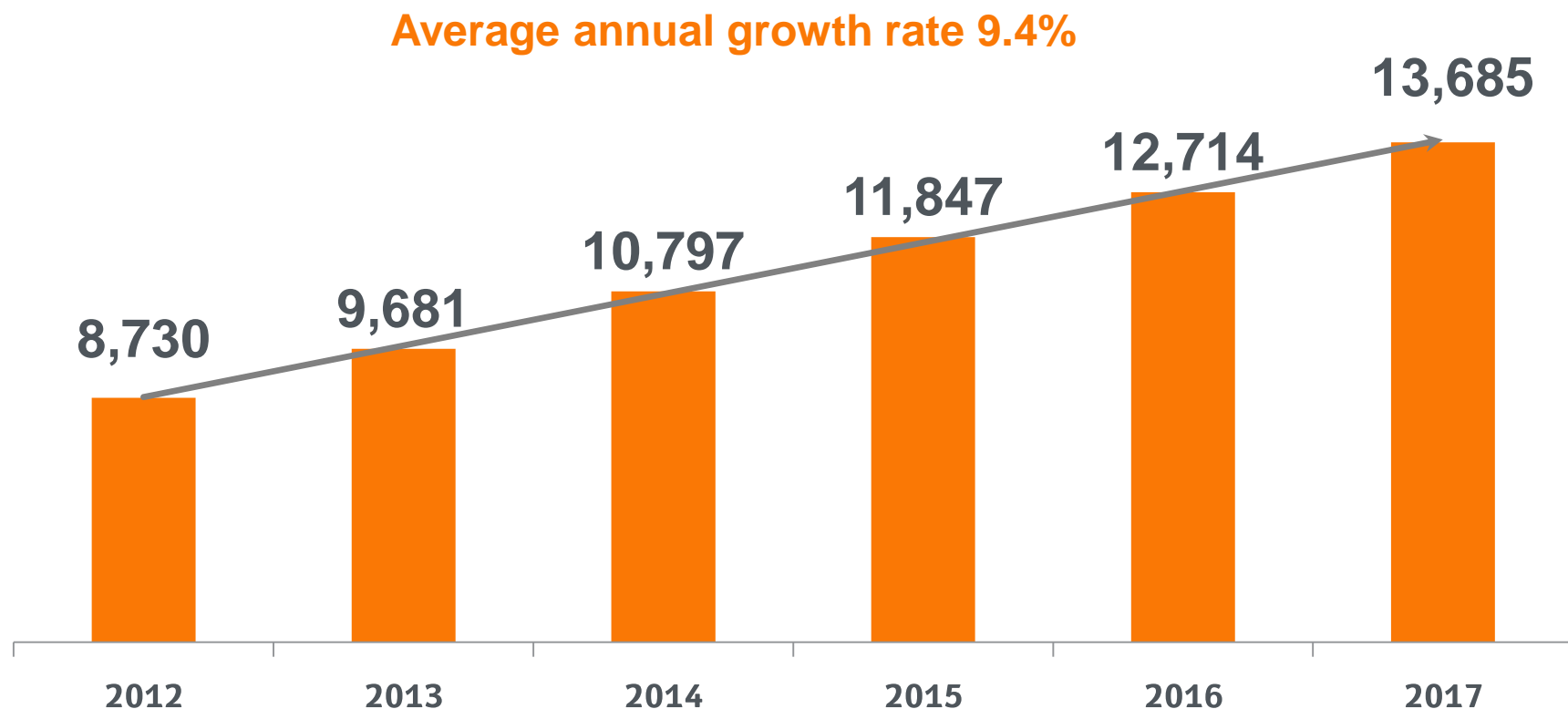
Continue to open branches, while optimizing utilization of space of branches and headquarter

Opening branches and reducing total square meters





Increasing equity base (NIS mil)



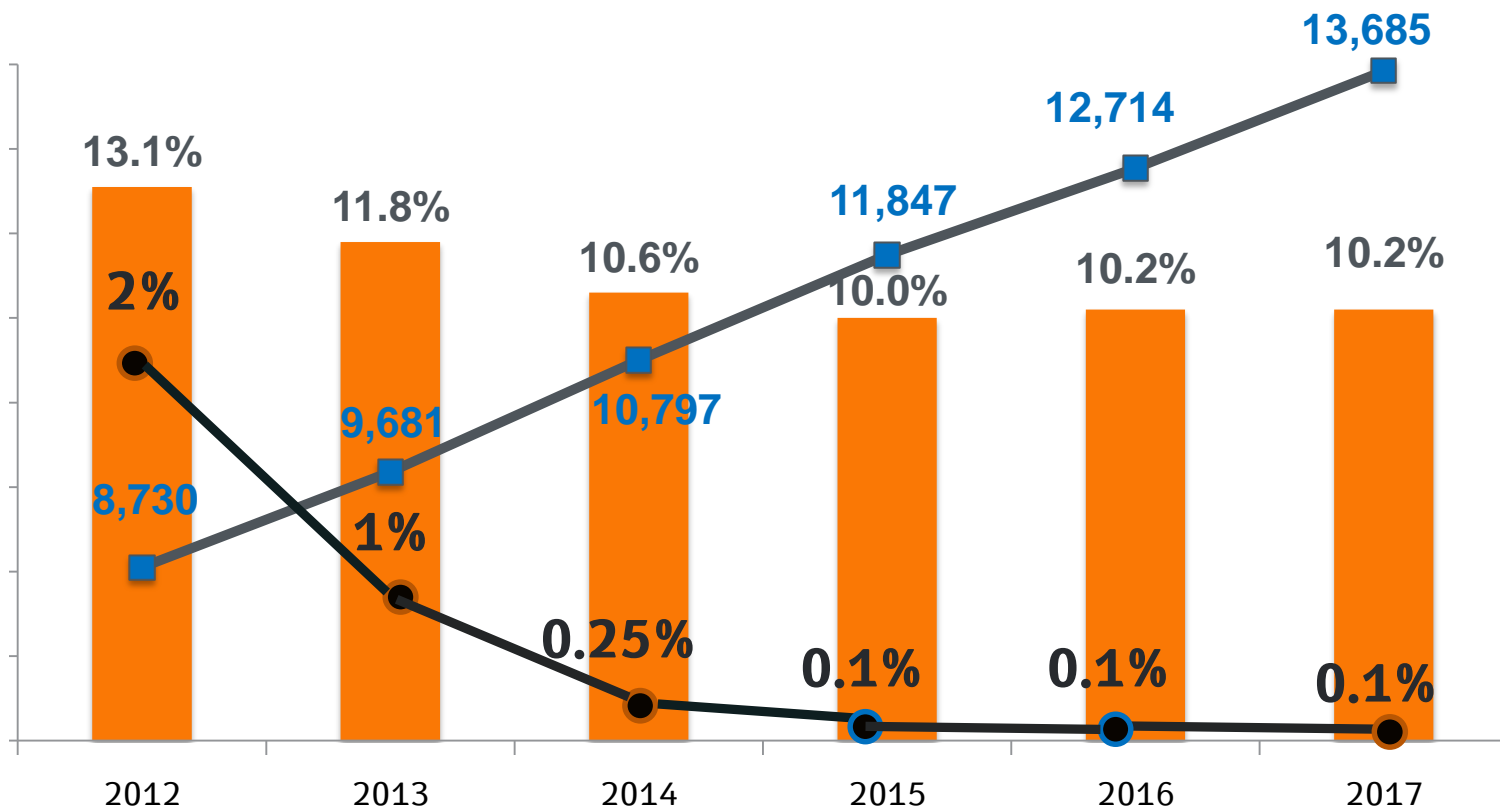
Average annual growth of 1 billion NIS



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

ROE

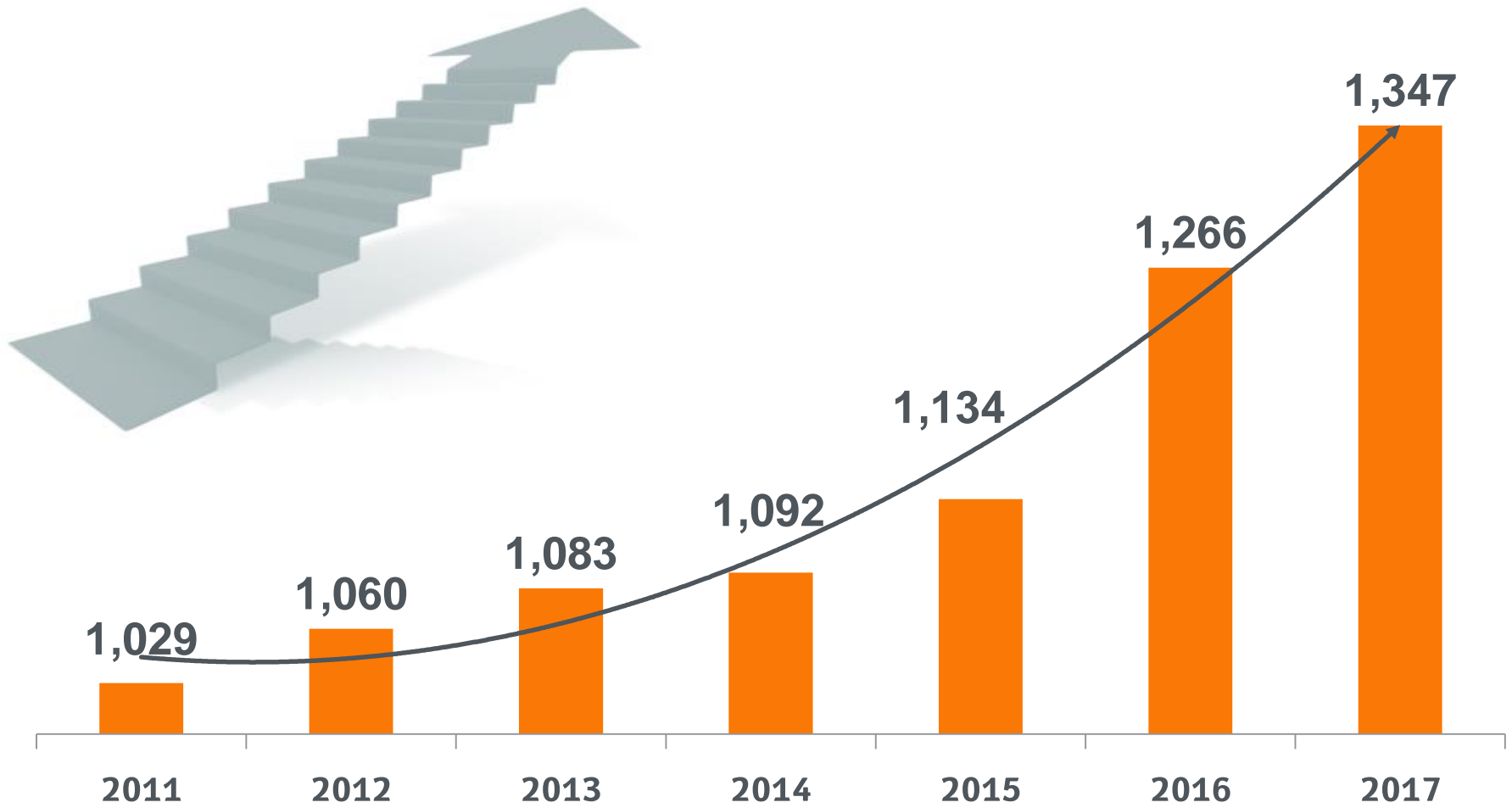
Equity
(NIS mil)



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



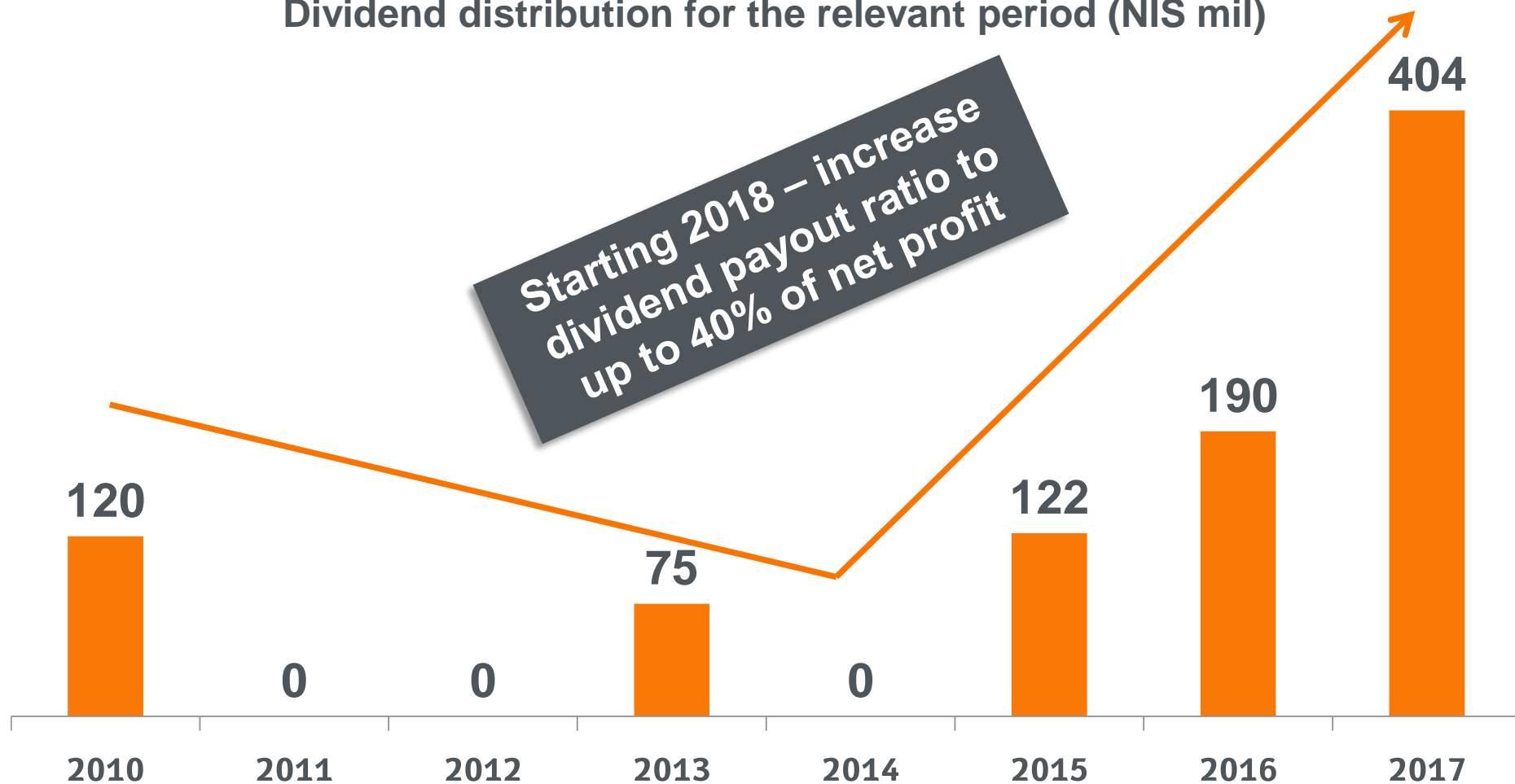
Record high net profit - an additional leap forward compared to previous years





Record high dividend distribution

Dividend distribution for the relevant period (NIS mil)





In 2017 - competition in the market became more polar

Hybrid banking -
personal banking with
technological solutions



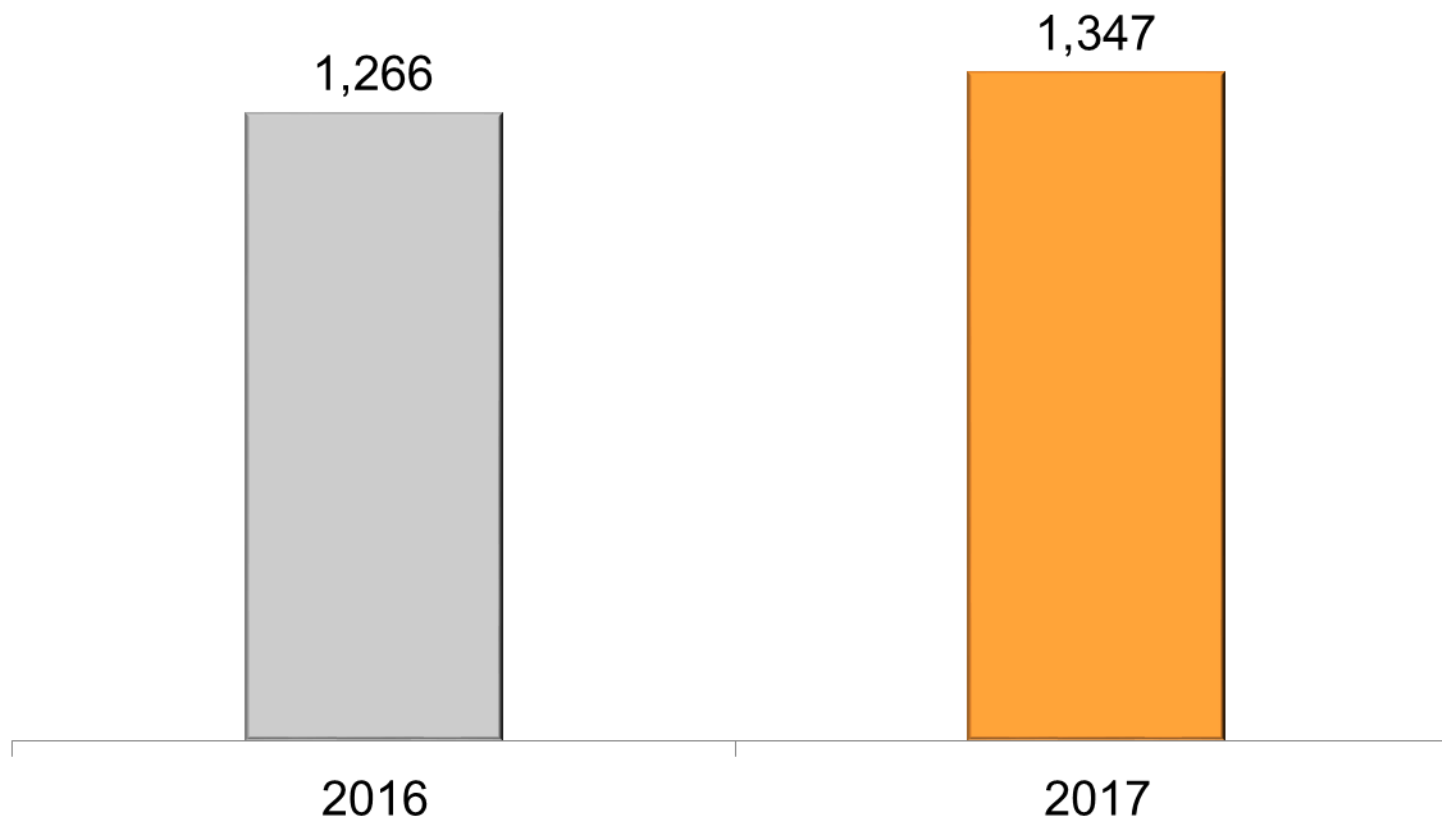
Total digital -
It's all about technology





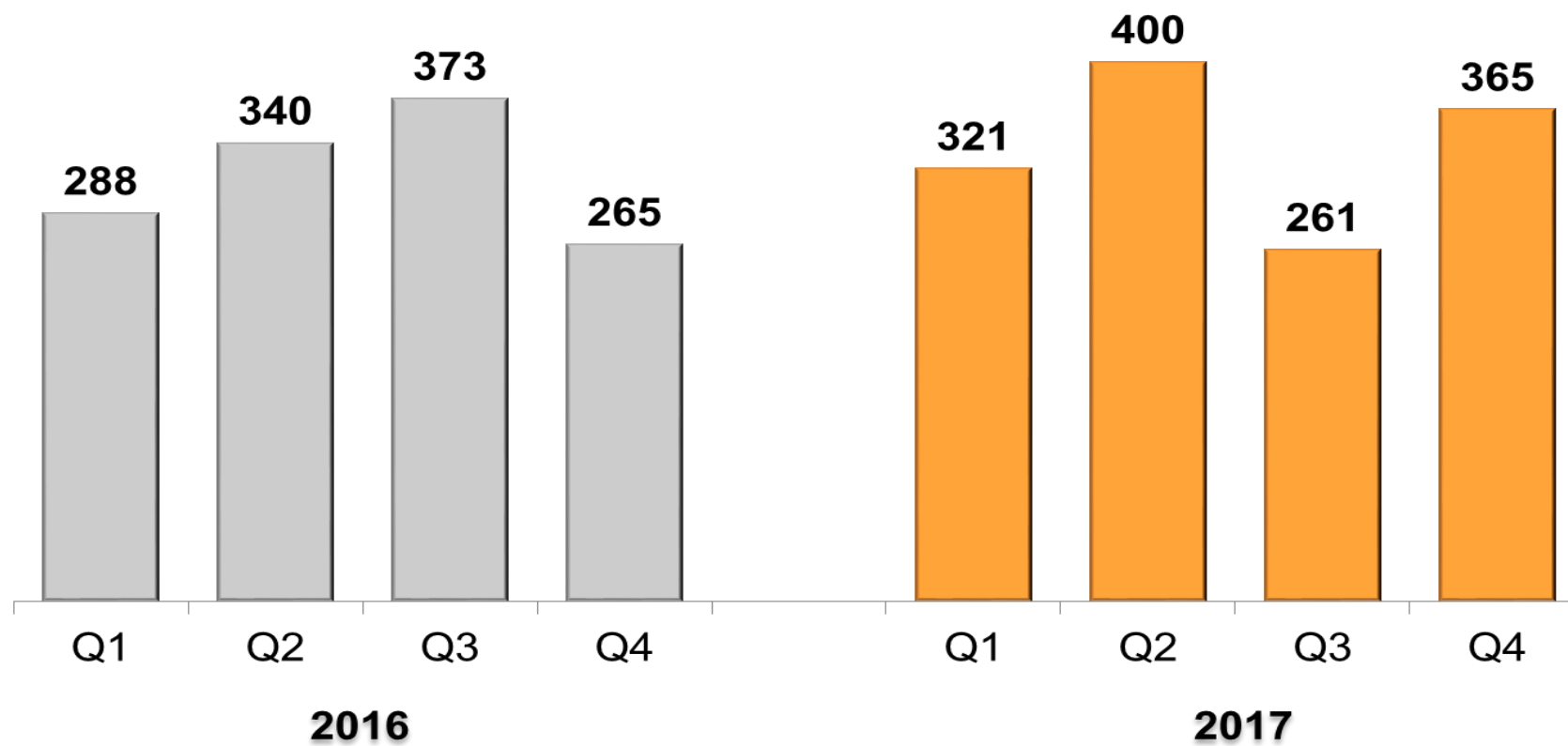
Financial results

Net profit (NIS mil)



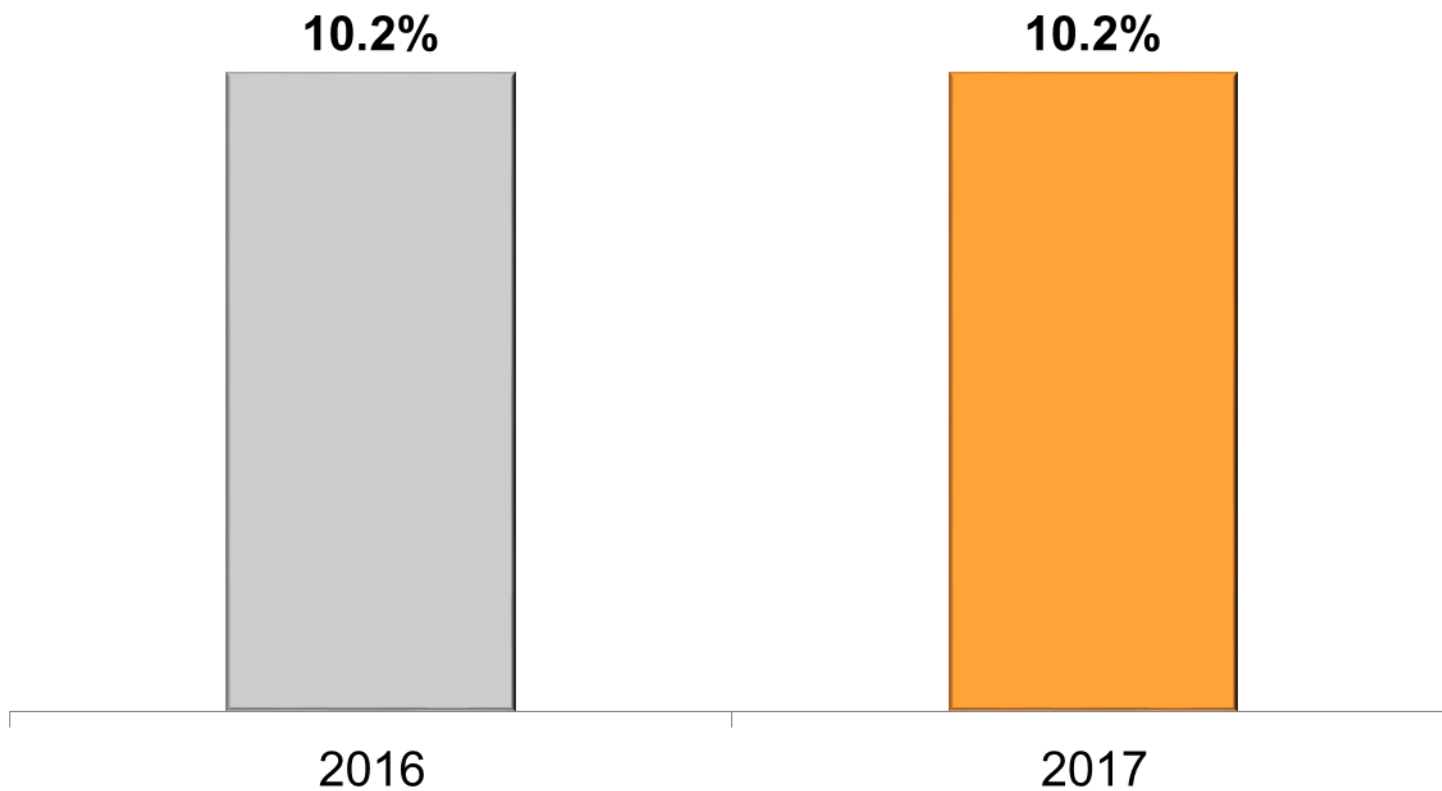


Net profit (NIS mil)



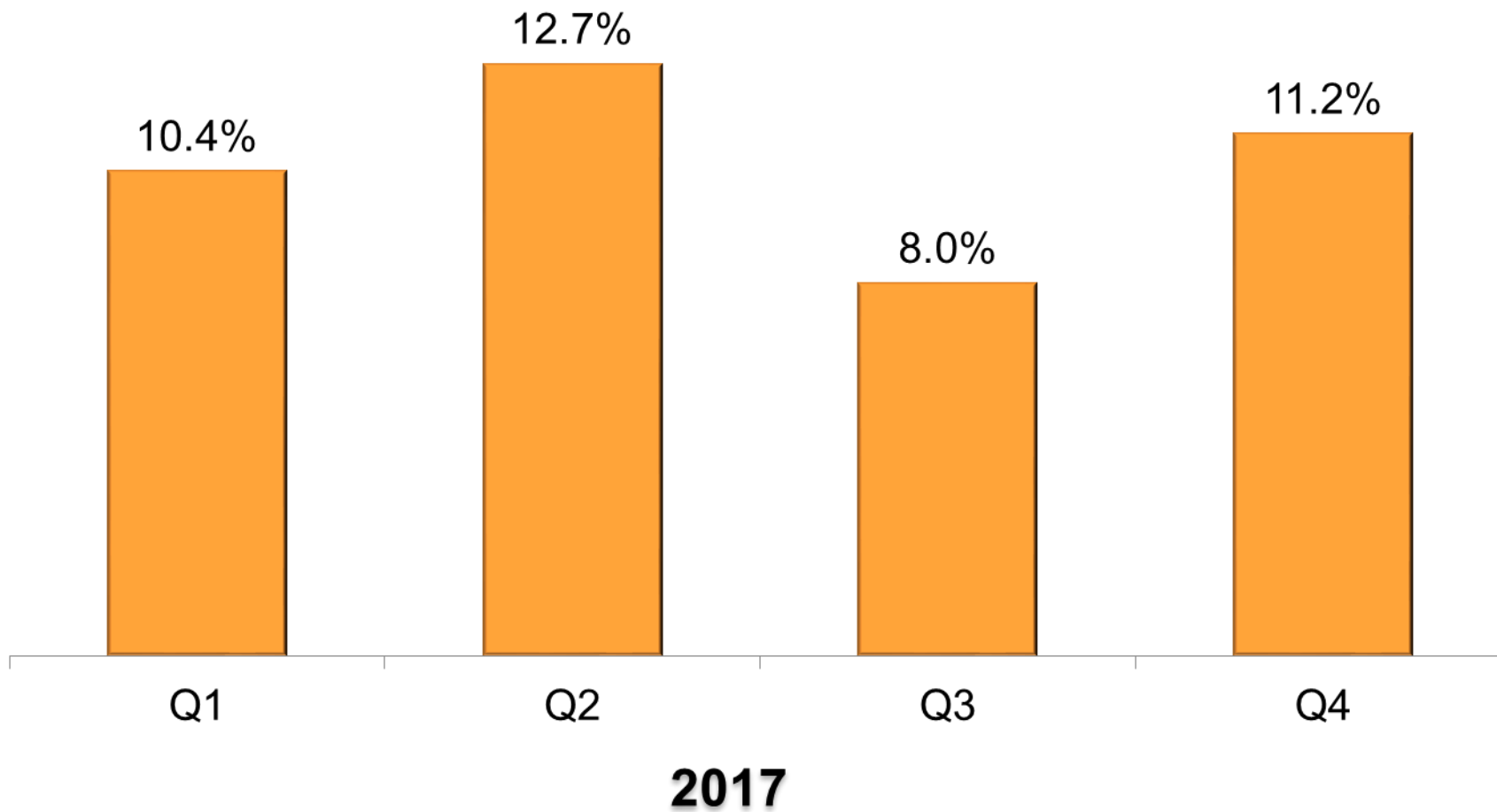


Net profit - ROE



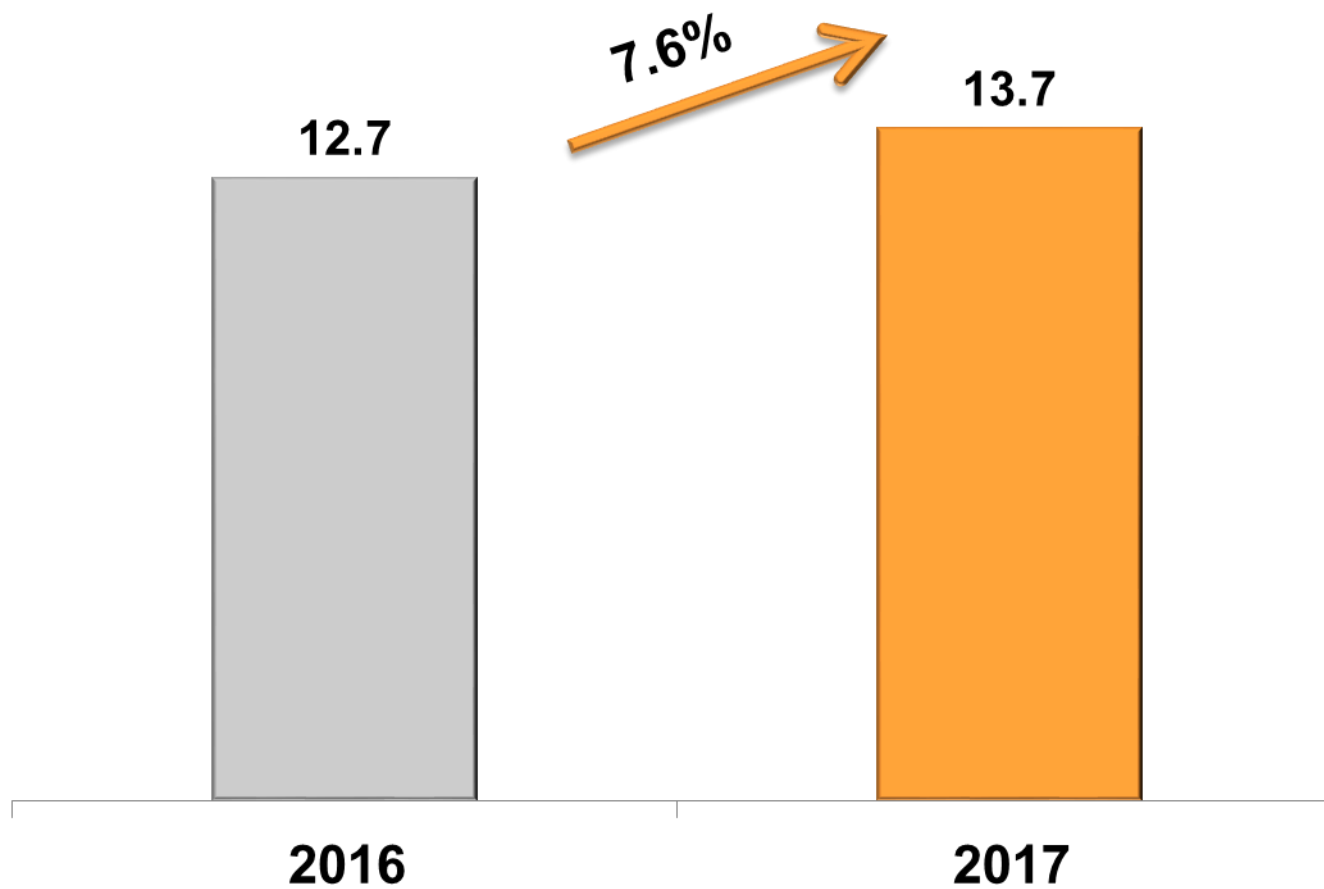


Net profit - ROE



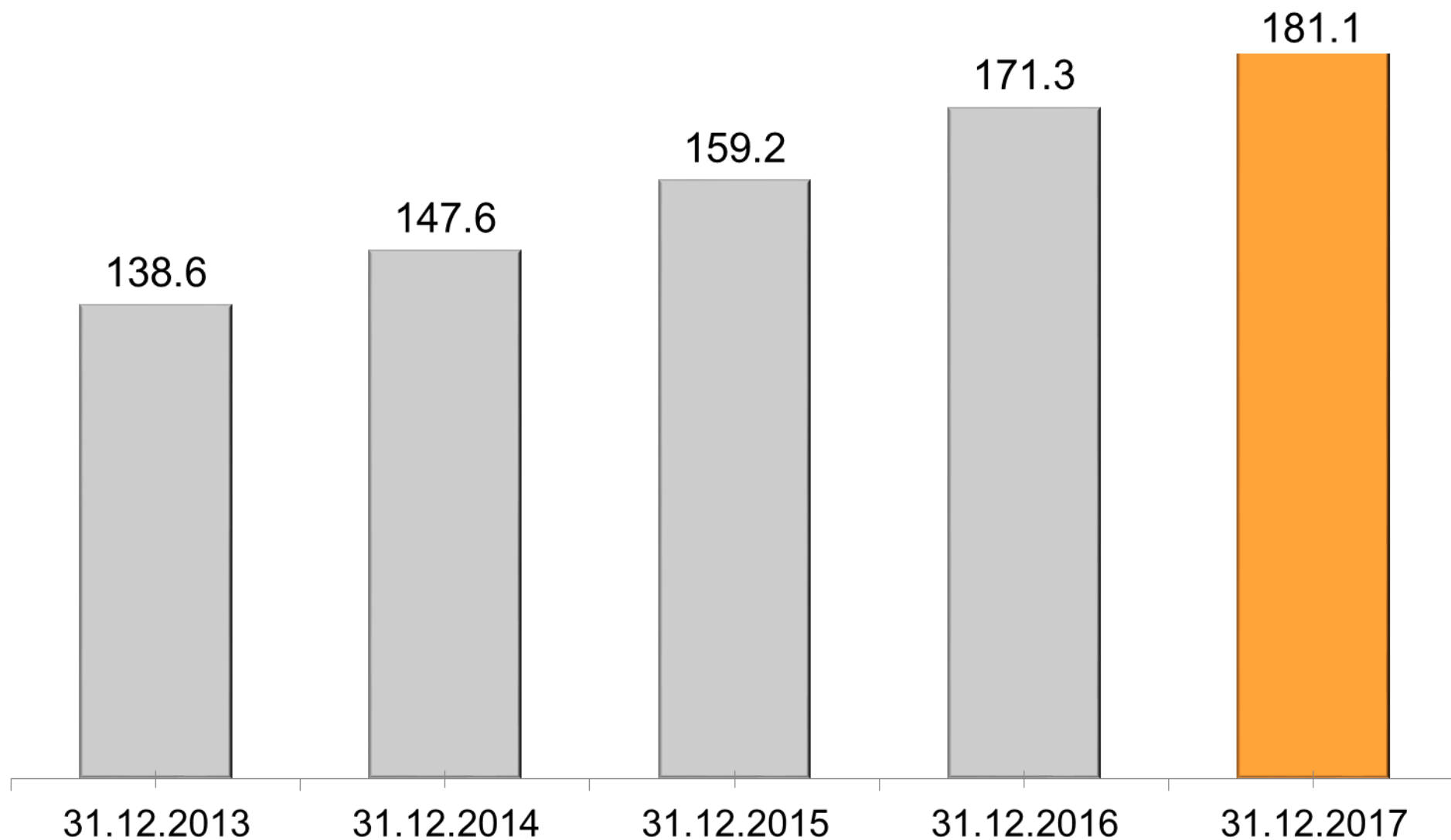


Equity (NIS bil)



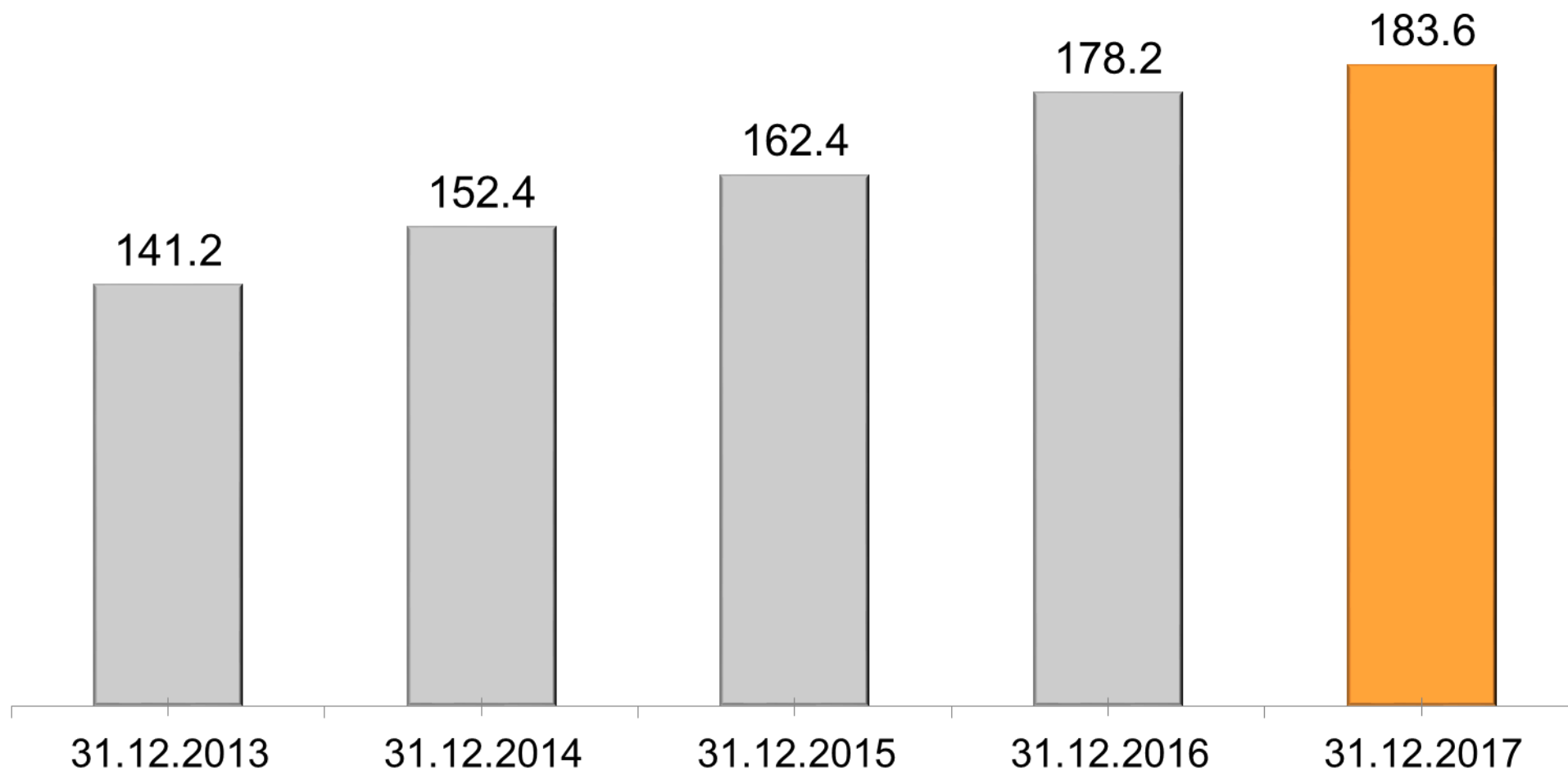


Loans to the public (NIS bil)

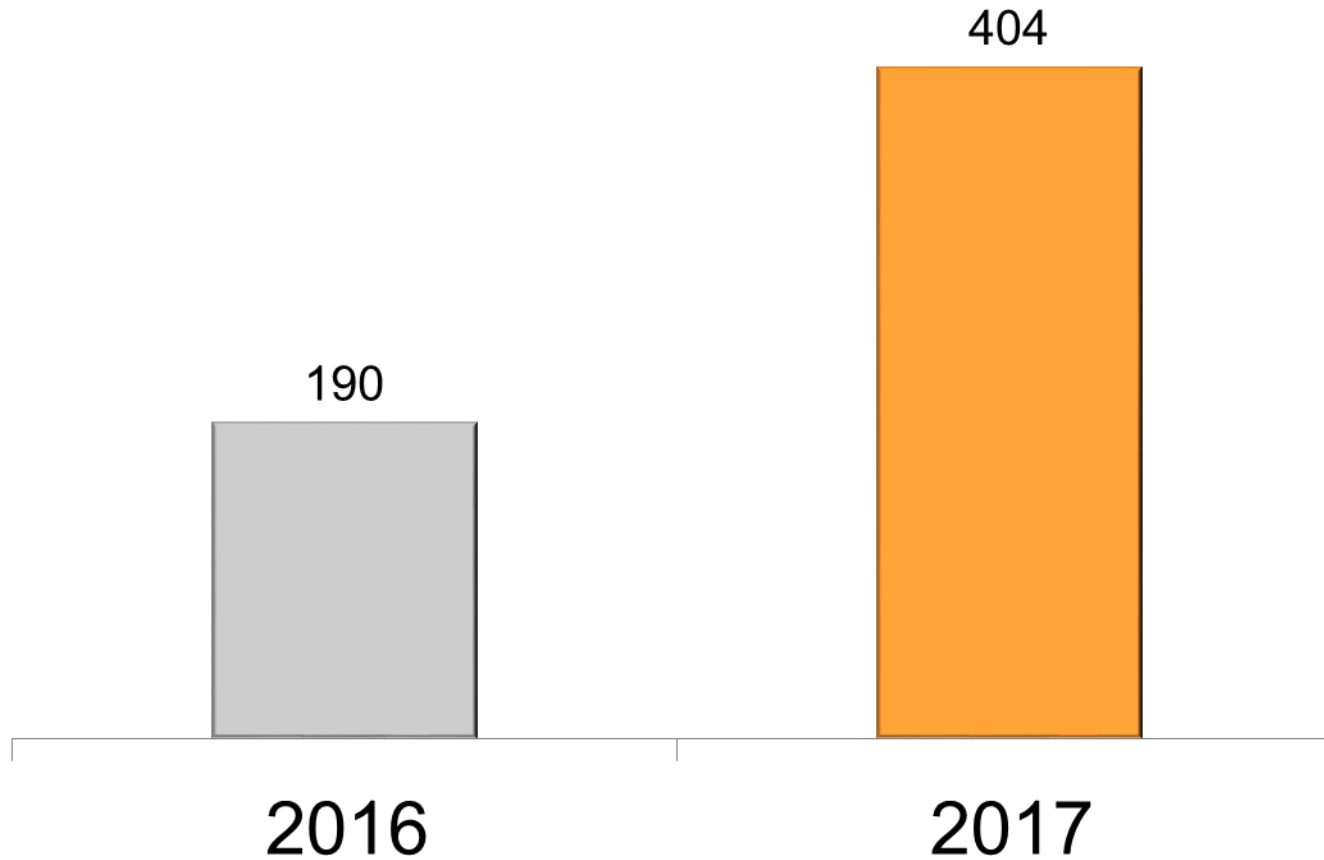




Deposits from the public (NIS bil)

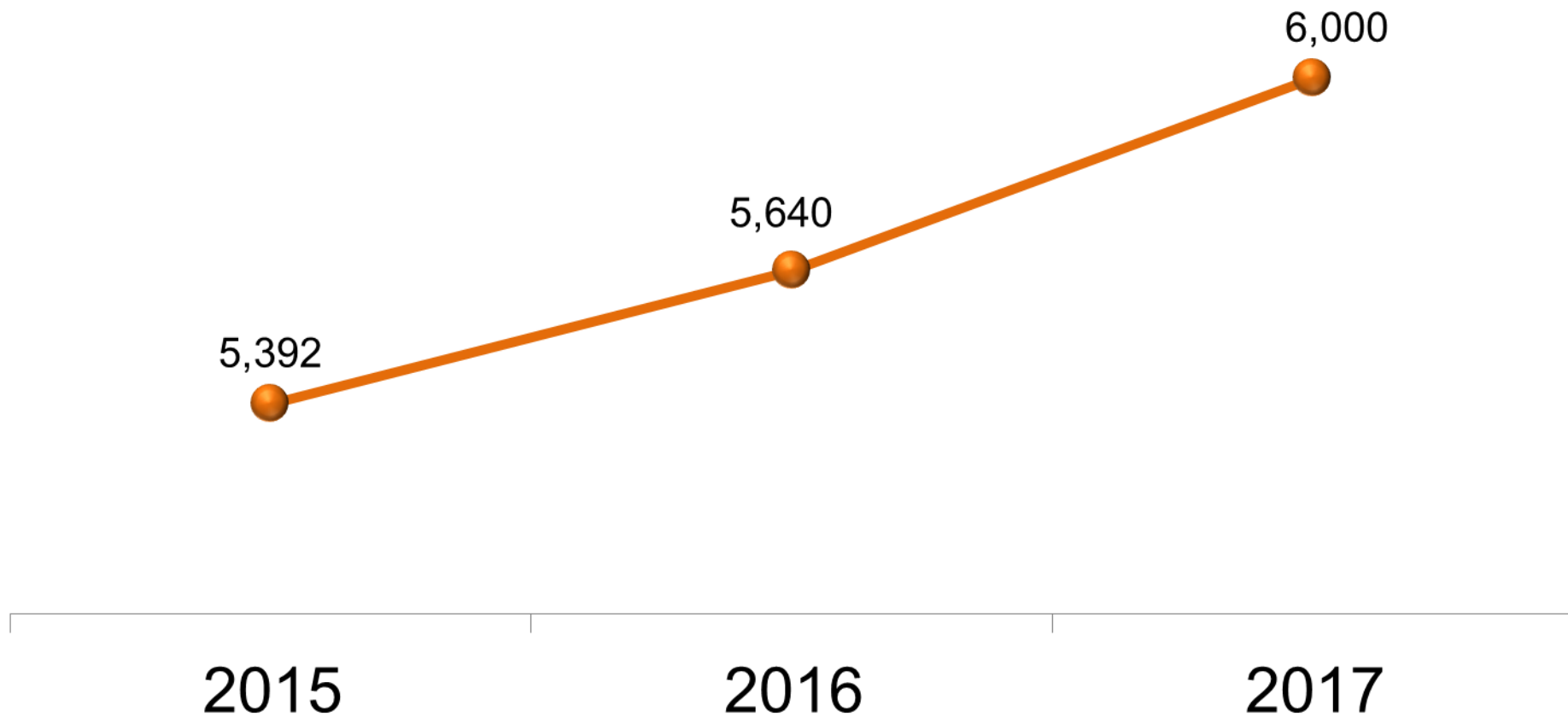


Dividends (NIS mil)





Total revenues (NIS mil)



* Including interest revenues net, and non interest revenues

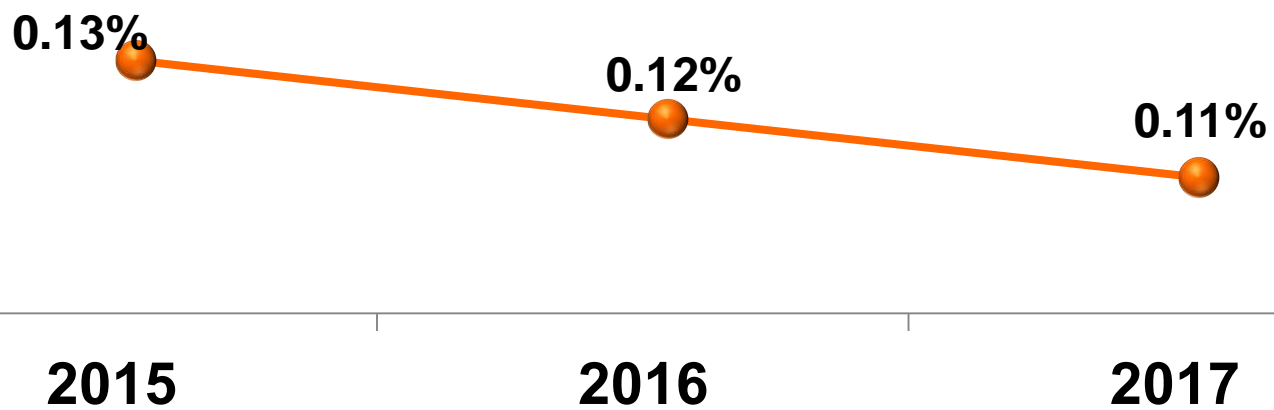


Financing Revenues (NIS mil)

	2016	2017	Rate of change
Interest revenues, net	3,778	4,347	
Non-interest financing revenues	295	136	
Total financing revenues	4,073	4,483	10.1
Less:			
Linkage differentials with respect to CPI position	(48)	32	
Revenues from collection of interest on troubled debt	40	43	
Gain from debentures	72	43	
Effect of accounting treatment of derivatives at fair value and others	133	2	
Total effects other than current operations	197	120	
Total financing revenues from current operations	3,876	4,363	12.6



Provisions / loans to the public





Capital adequacy

