



MIZRAHI TEFAHOT

Financial Statements

September 2016

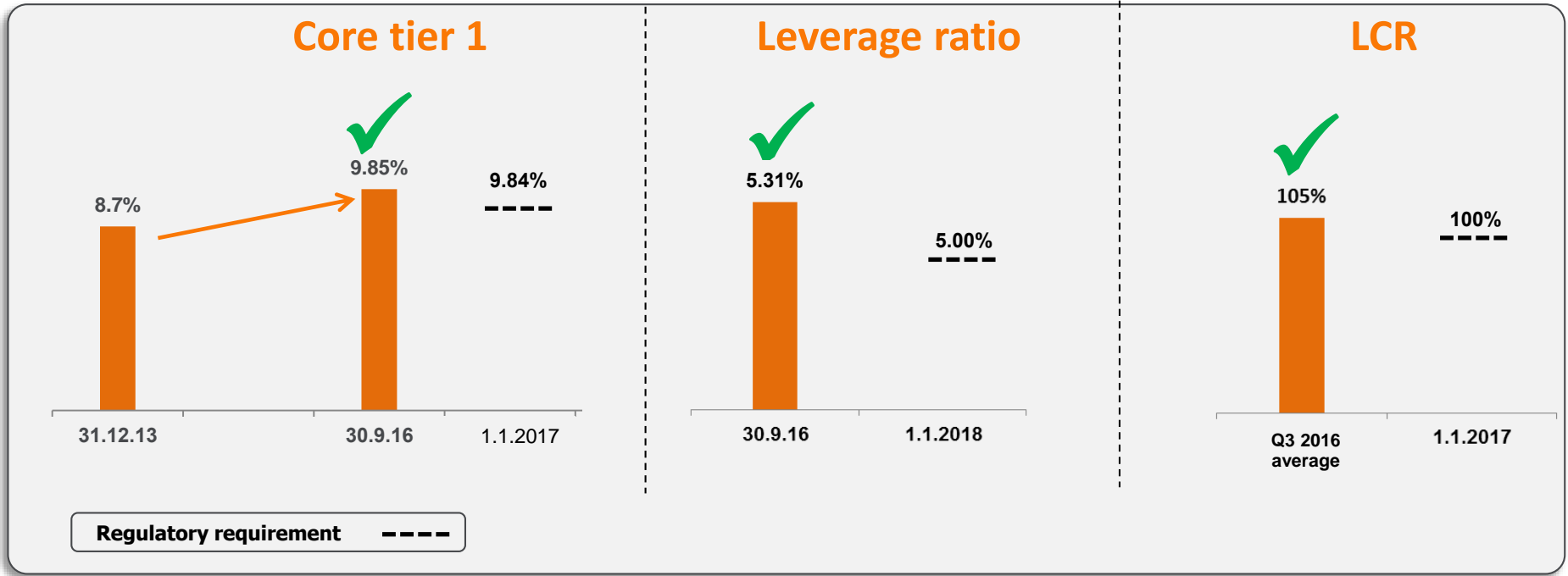




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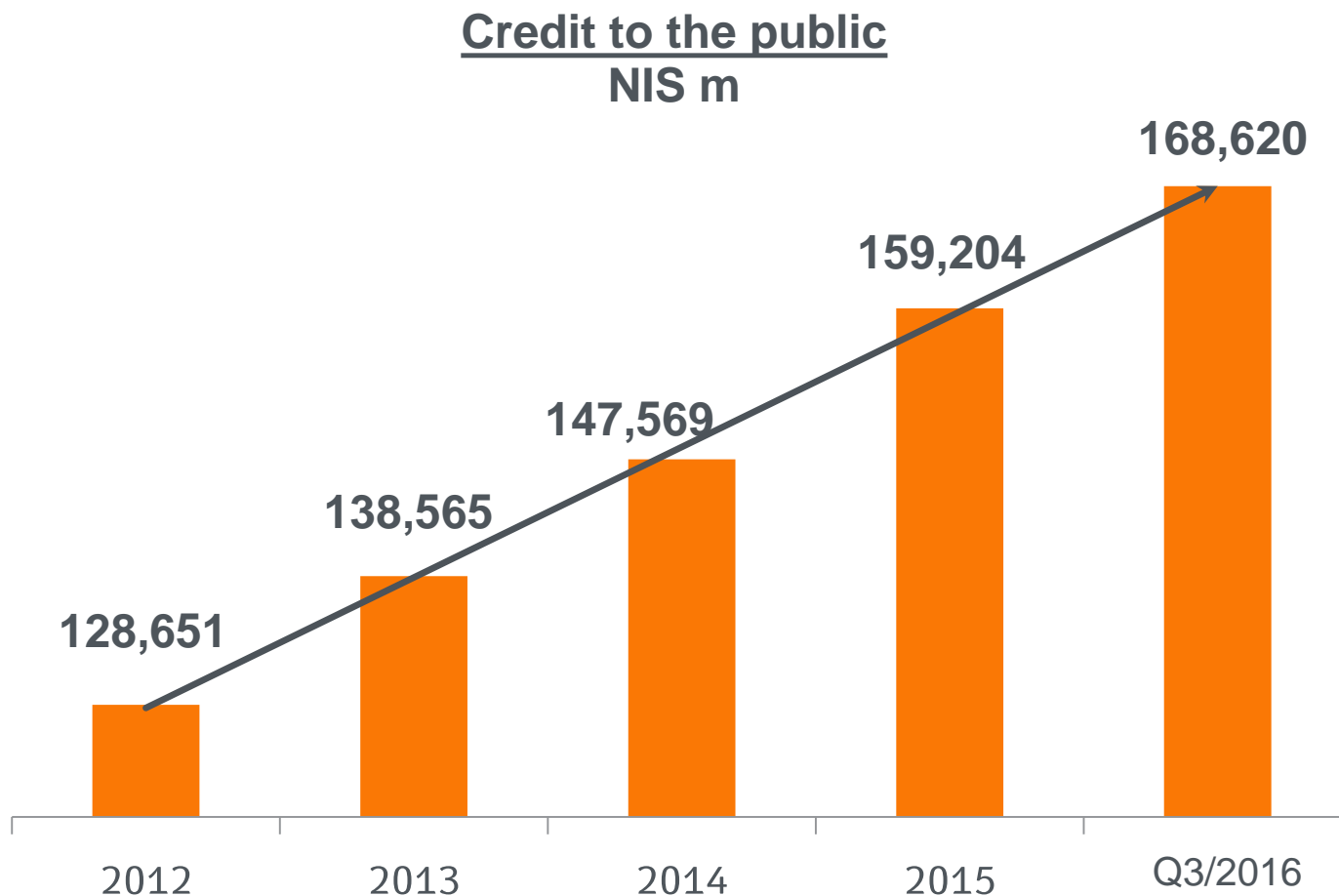
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Achieving regulatory financial ratios thresholds earlier than required





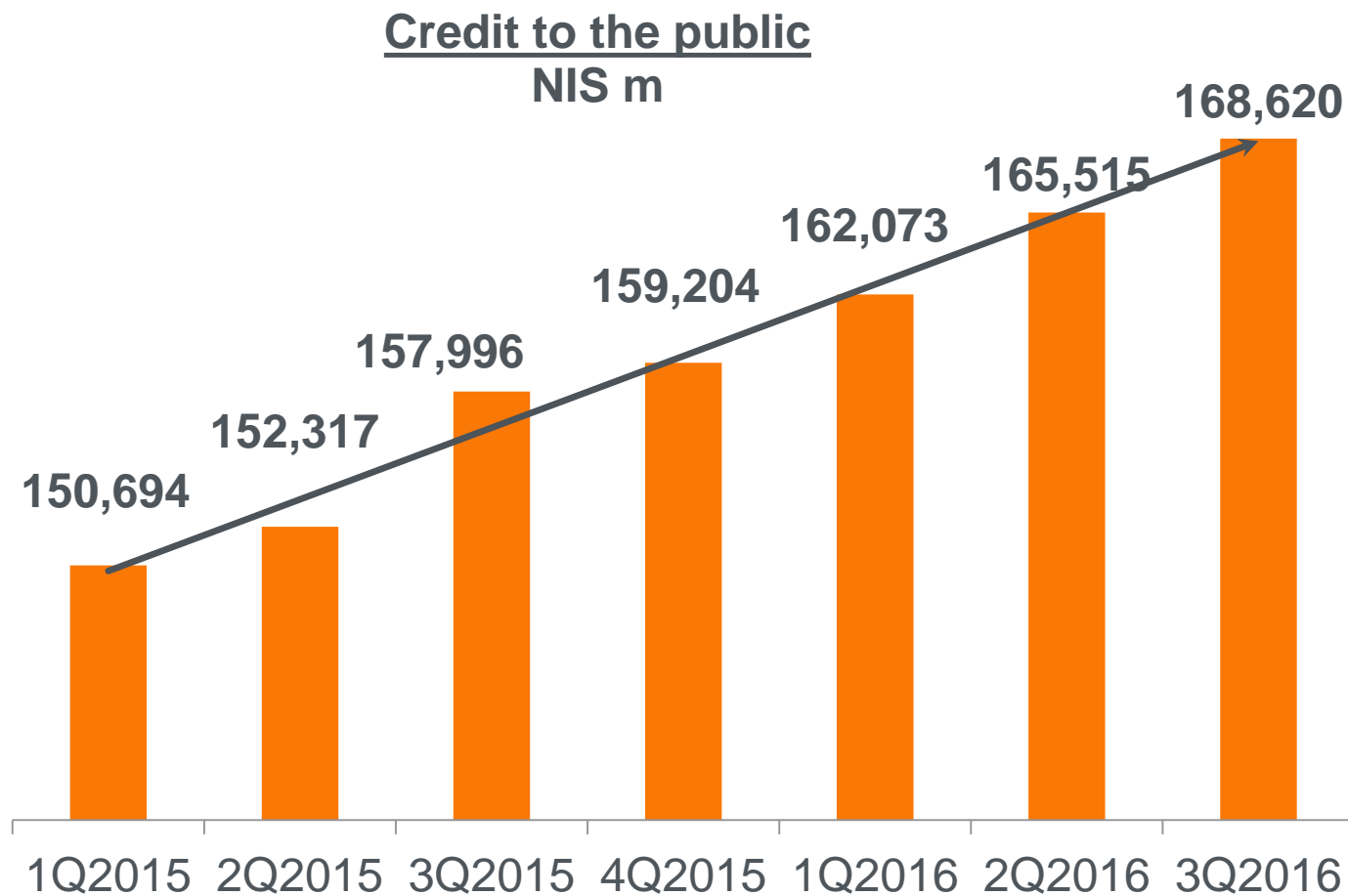
Continuous loan growth



Average annual growth rate 7.5%



Continuous loan growth



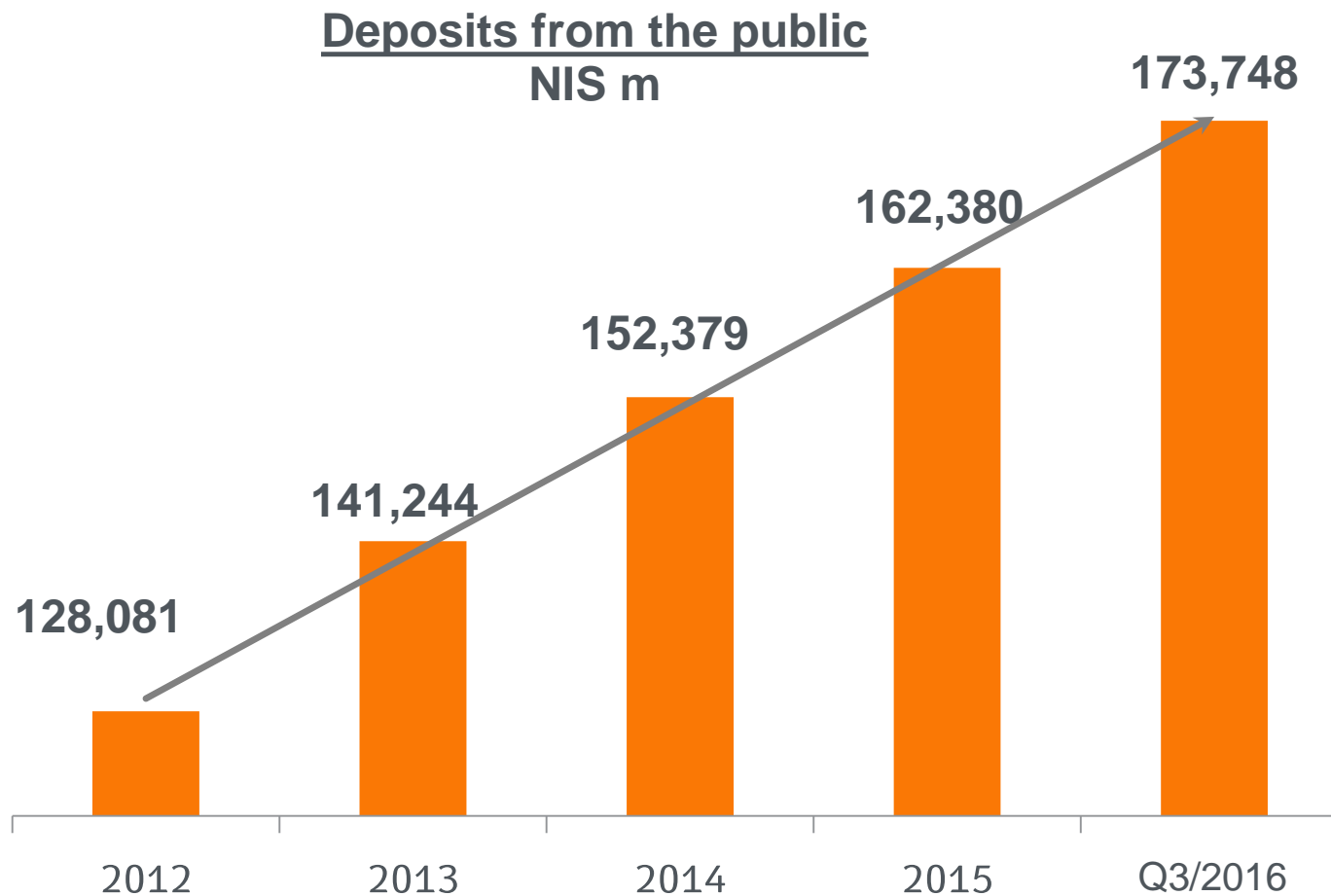


Credit growth in most segments

Loans to the public			
	30.09.2015	30.09.2016	% of change
Housing loans	103,408	112,272	8.6%
Households	16,521	18,510	12%
Private banking	85	97	14.1%
Small and micro businesses	13,809	14,583	5.6%
Medium businesses	4,748	5,236	10.3%
Large businesses	14,596	12,309	(15.7%)
Institutional investors	2,045	2,227	8.9%
Overseas operations	2,783	3,387	21.7%
Total	157,996	168,620	6.7%



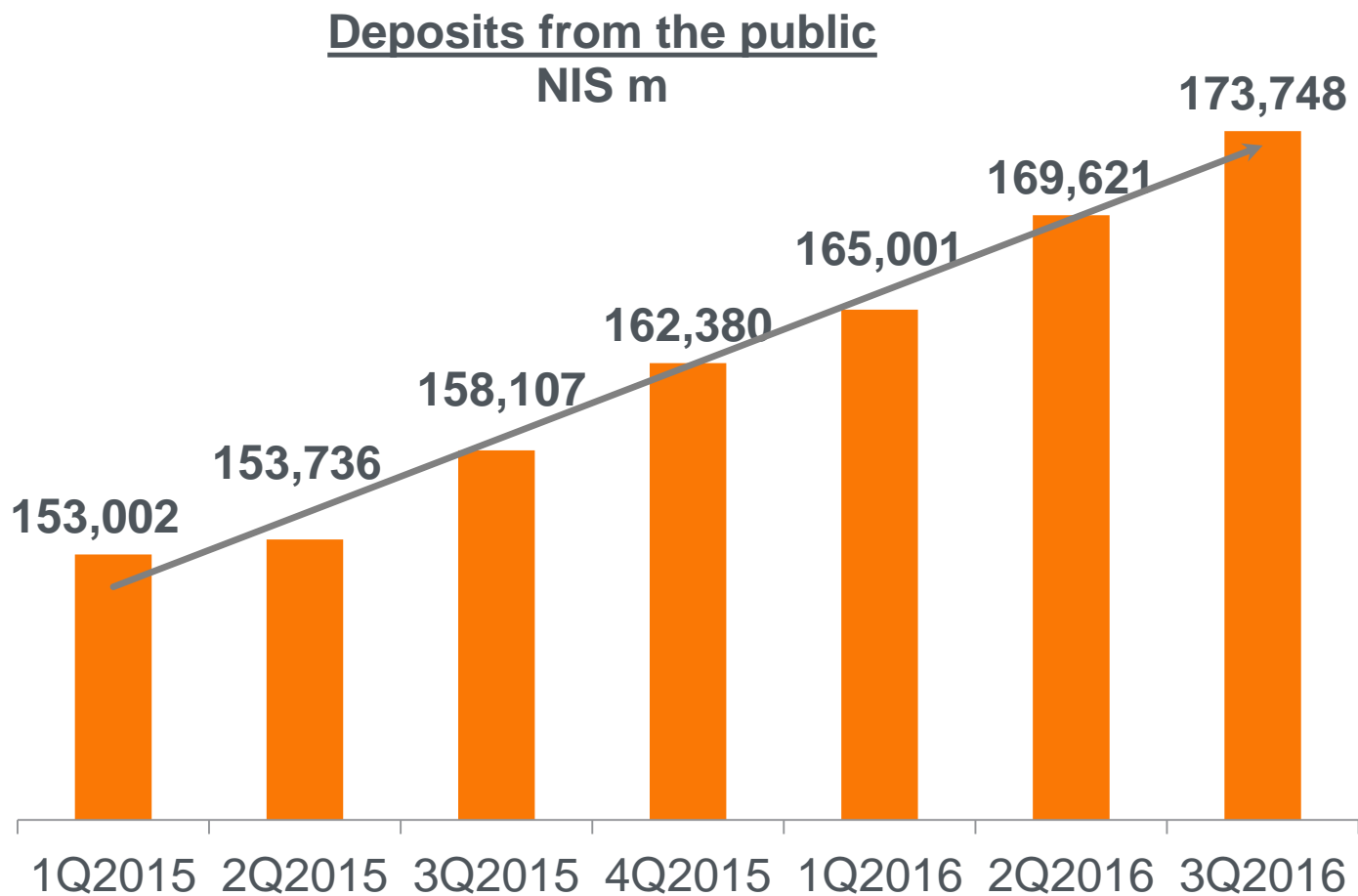
Continuous deposit growth



Average annual growth rate 8.5%

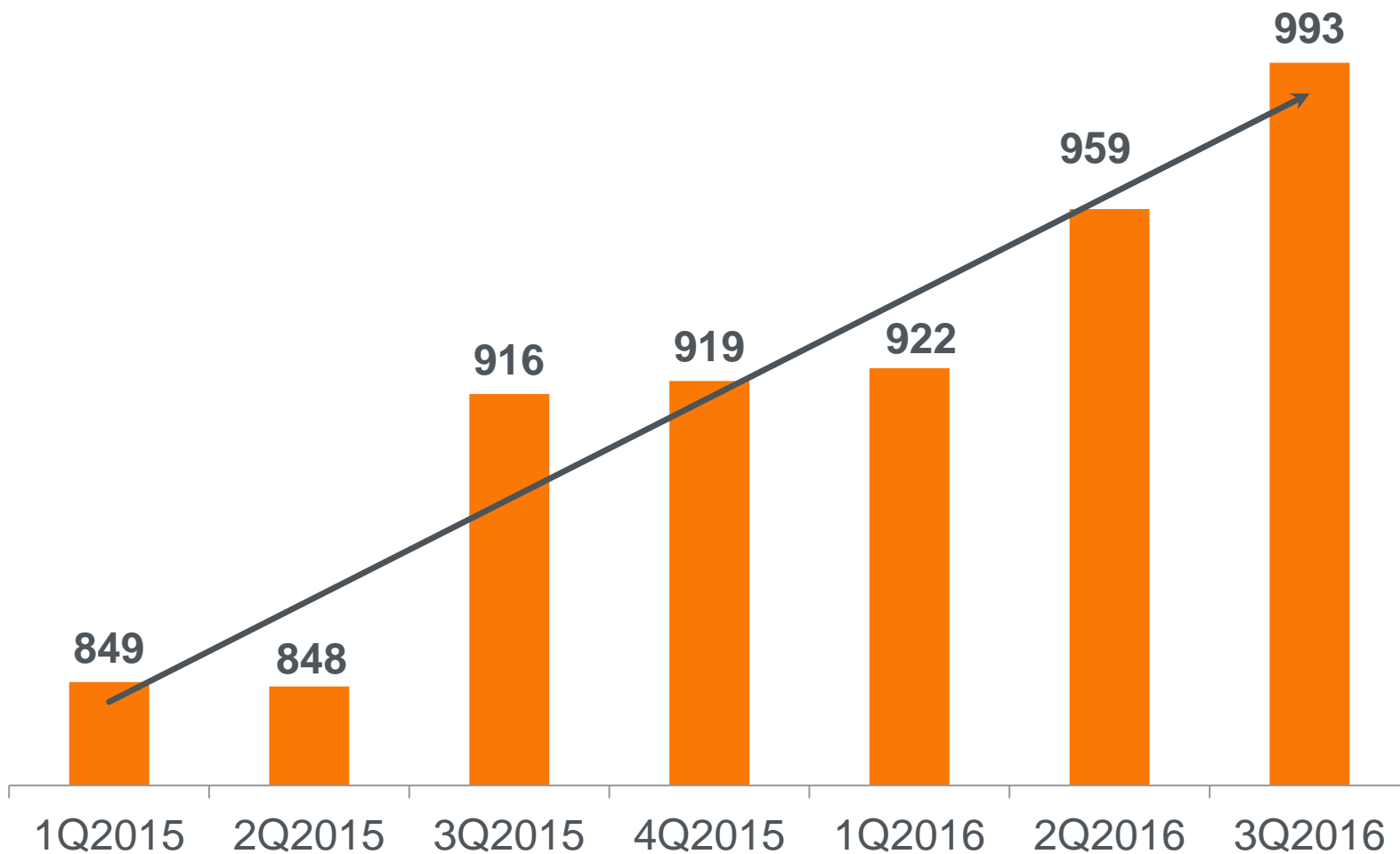


Continuous deposit growth





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





Growth in financing revenues in most of operating segments

Financing revenues (NIS m)			
	Q3/2015	Q3/2016	% of change
Housing loans	240	284	18.3%
Households	246	284	15.4%
Private banking	10	13	30%
Small and micro businesses	182	195	7.1%
Medium businesses	43	54	25.6%
Large businesses	109	104	(4.6%)
Institutional investors	26	28	7.7%



Tight control of expenses

Operating and other expenses
(NIS m)



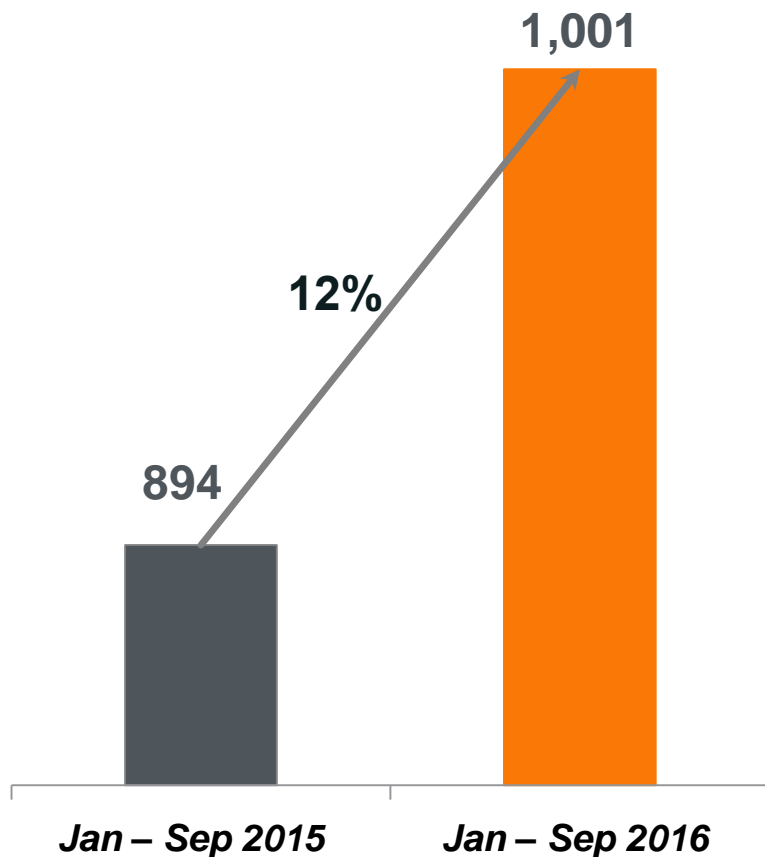
Maintenance and depreciation
(NIS m)



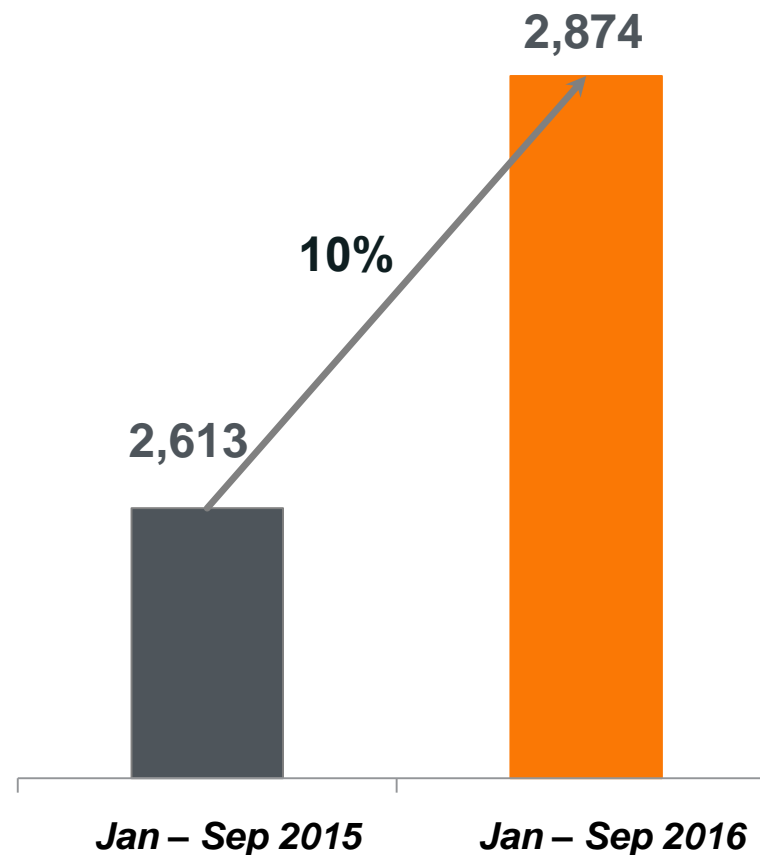


Increase in net profit and financing revenues from current operations compared to previous year

Net profit (NIS m)



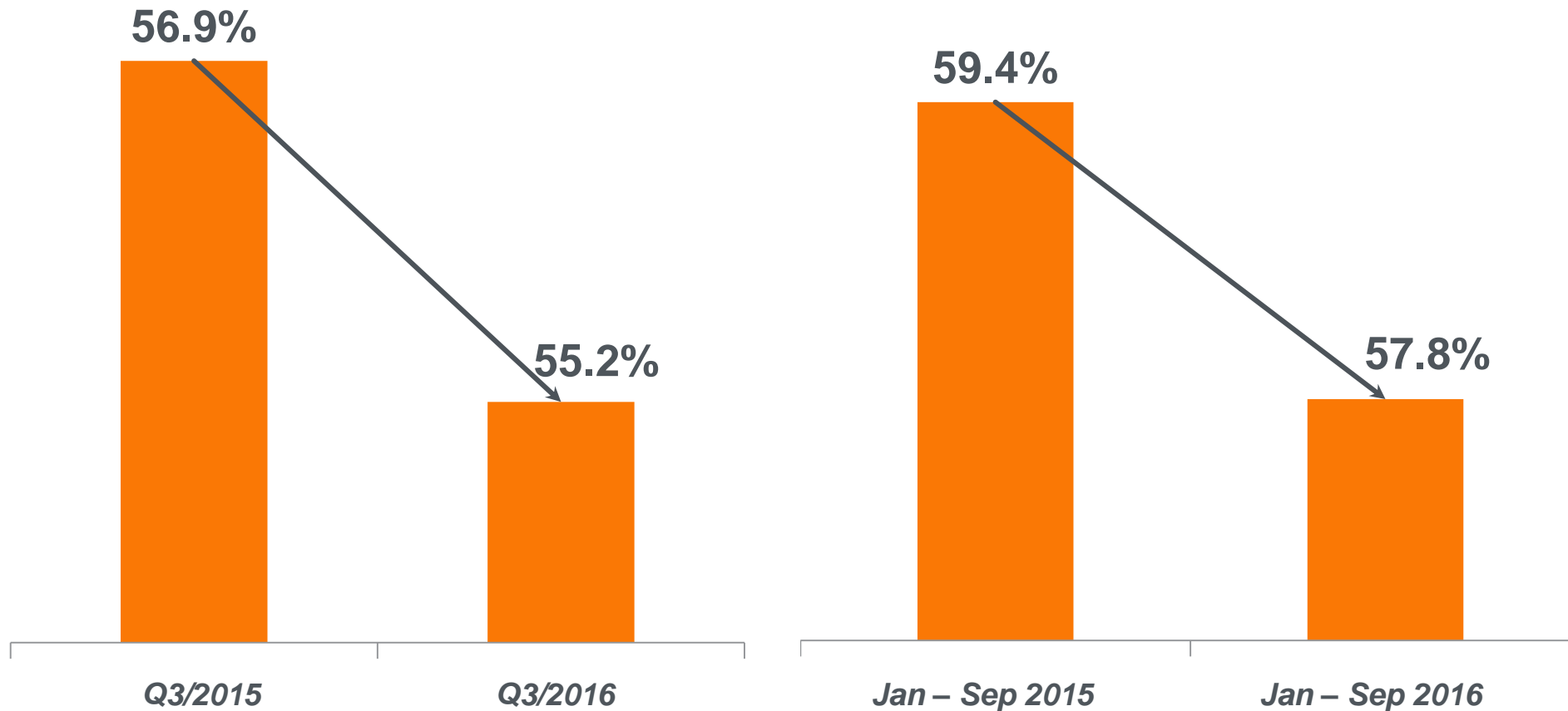
Financing revenues from current operations (NIS m)





Best efficiency level ever

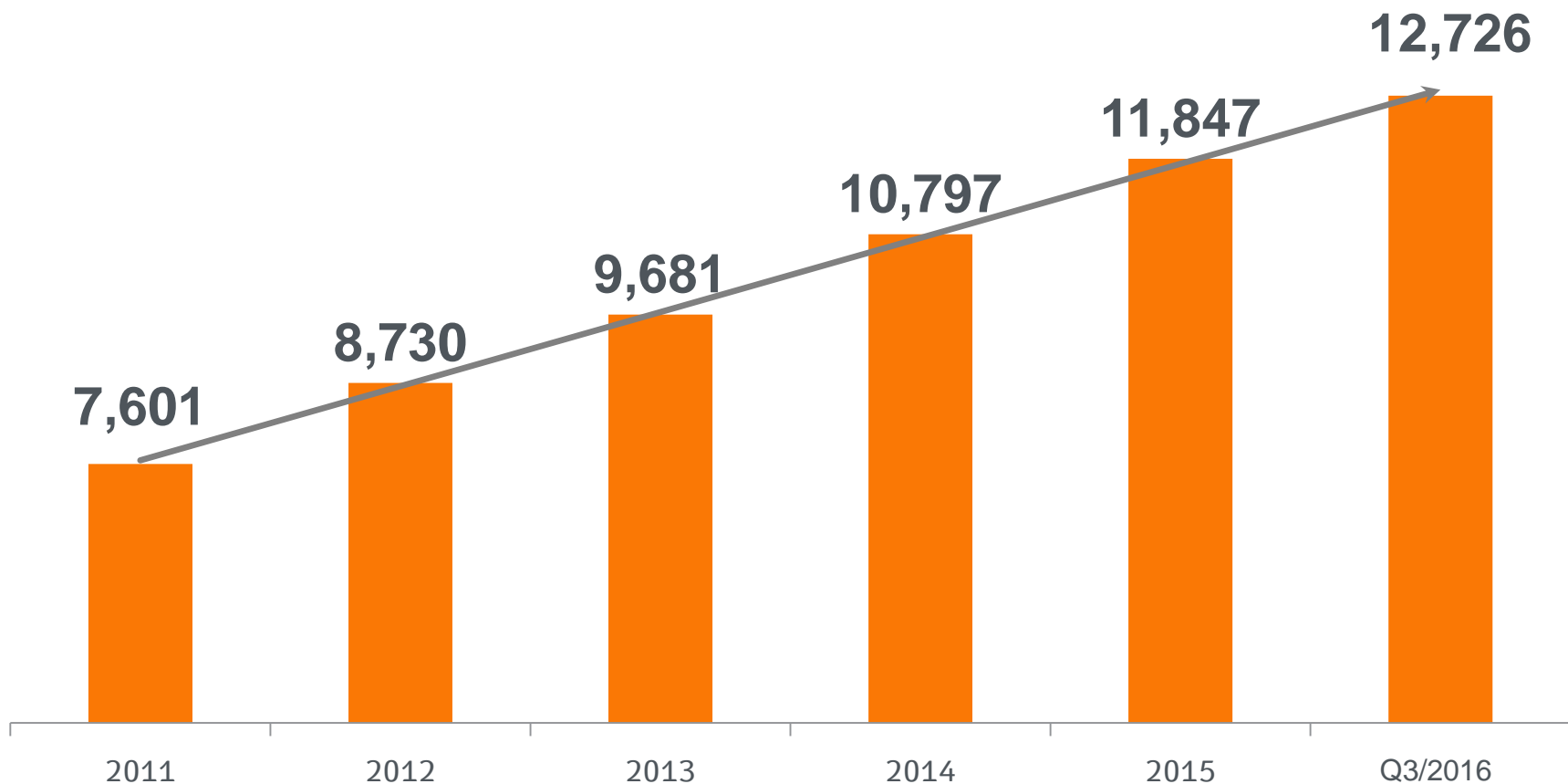
Cost/income ratio





Increasing equity base

NIS m



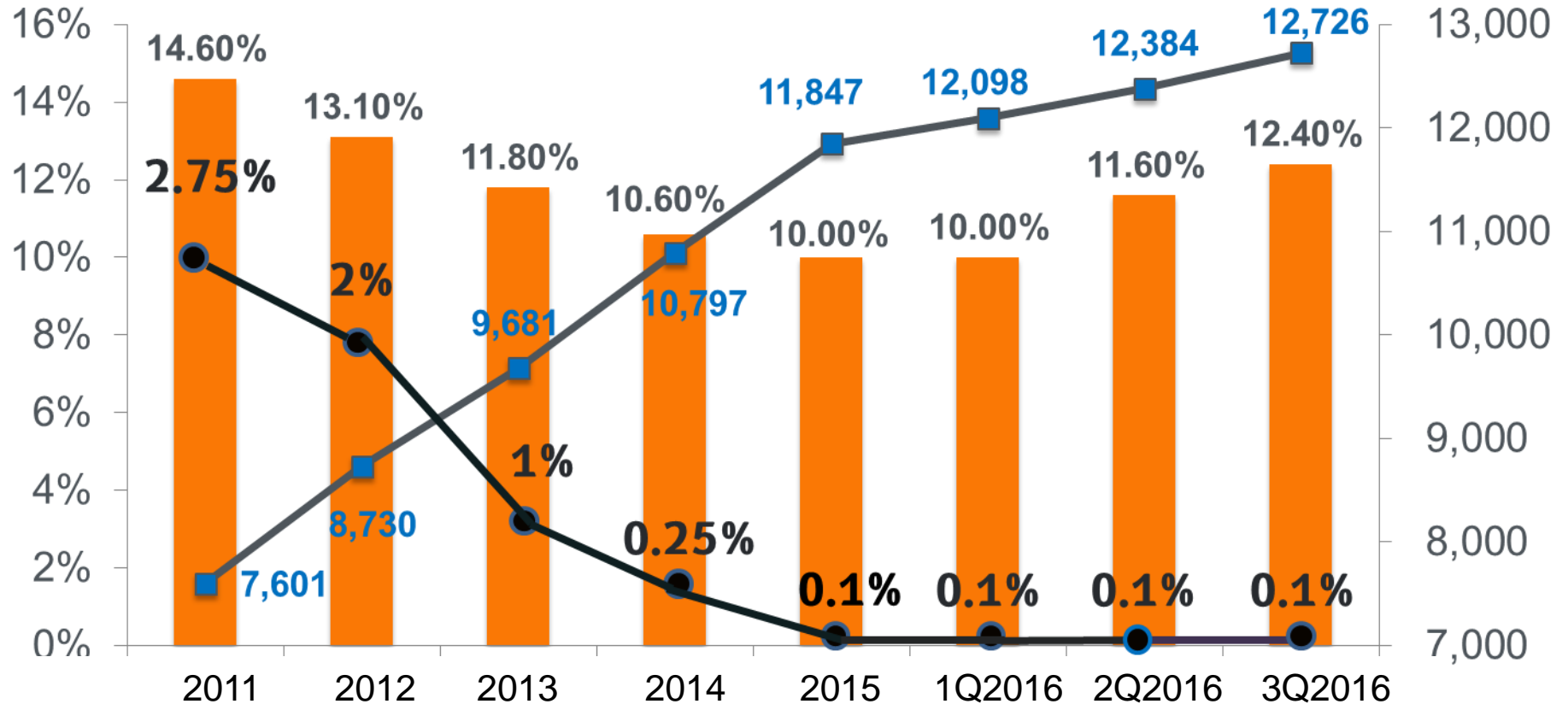
Average annual growth rate 11.5%



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

ROE(%)

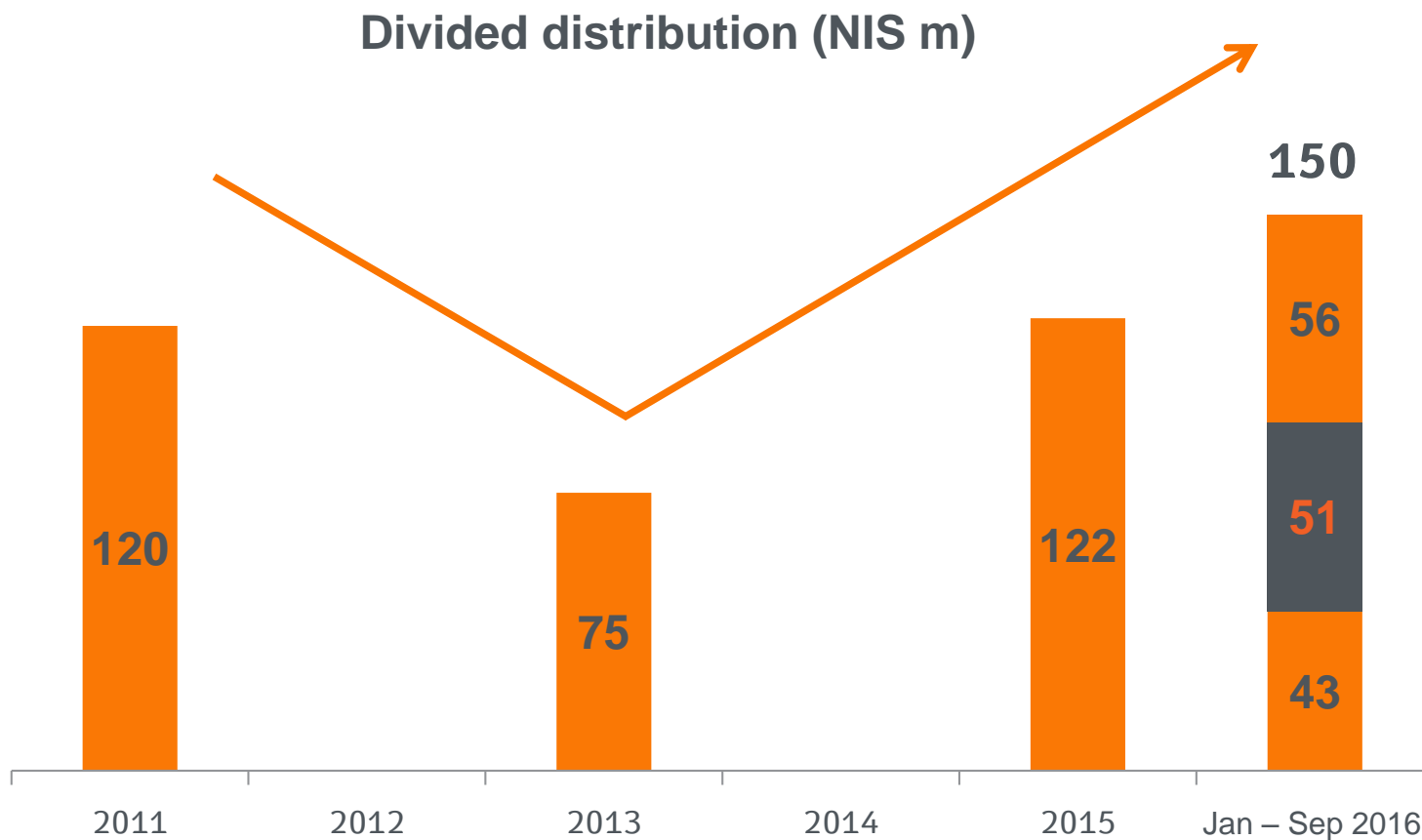
Equity (NIS mil)



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



Dividend distribution





Progress in line with the strategic plan

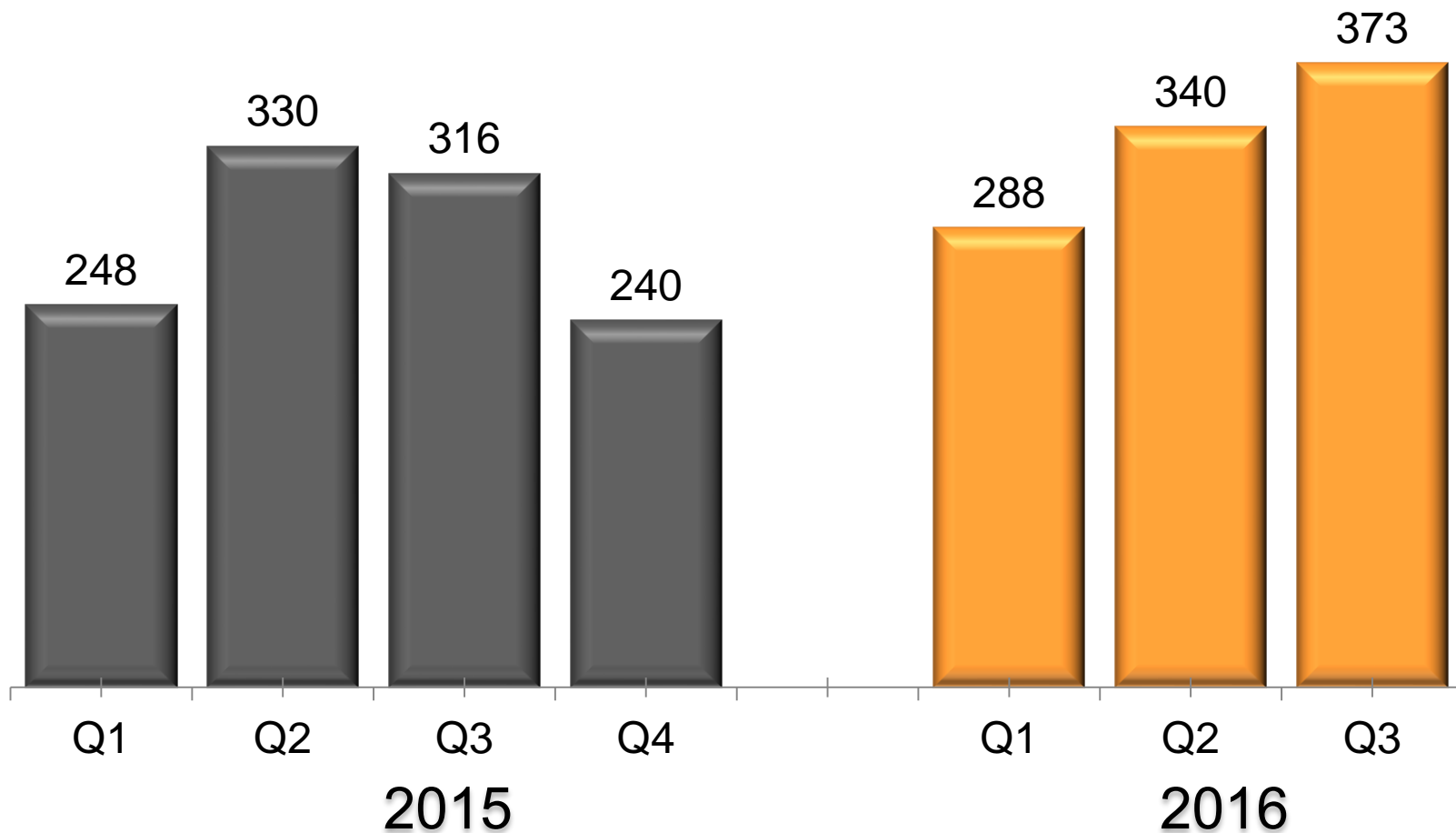
Market Shares	30.6.2016
Loans to the Public	18%
Balance Sheet Debt in Israel	19.2%
Deposits from the Public	15.4%
Mortgages (New Initiations)	38.7% *



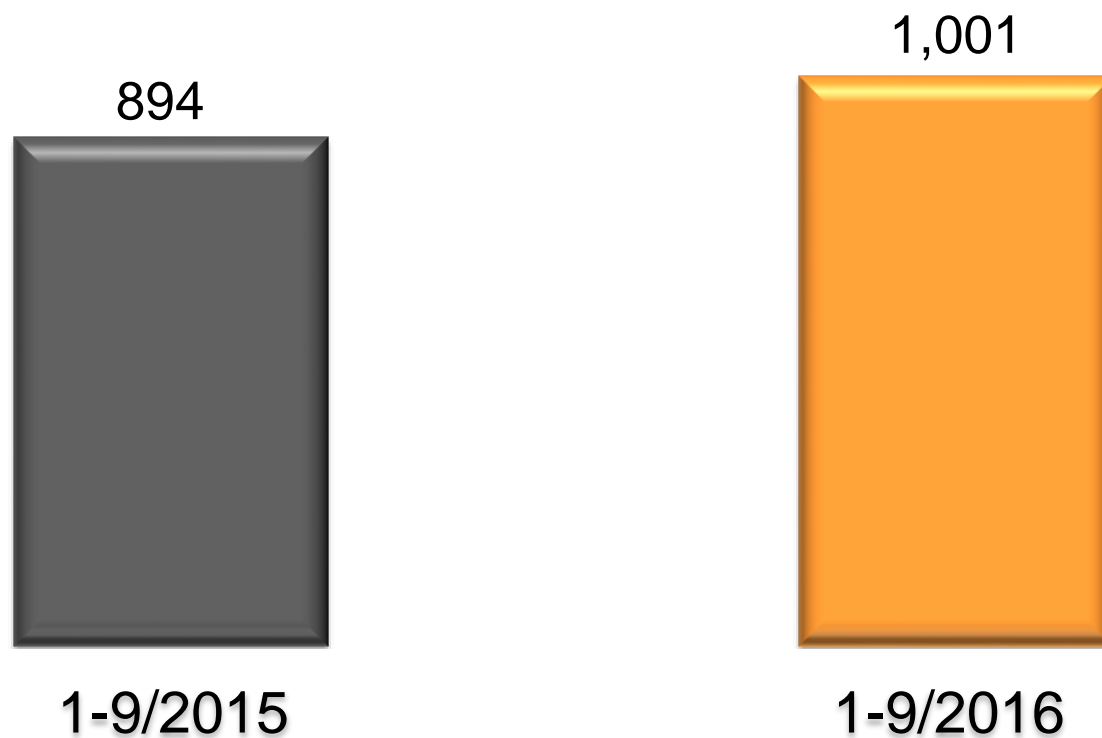
Financial results



Net profit (NIS mil)

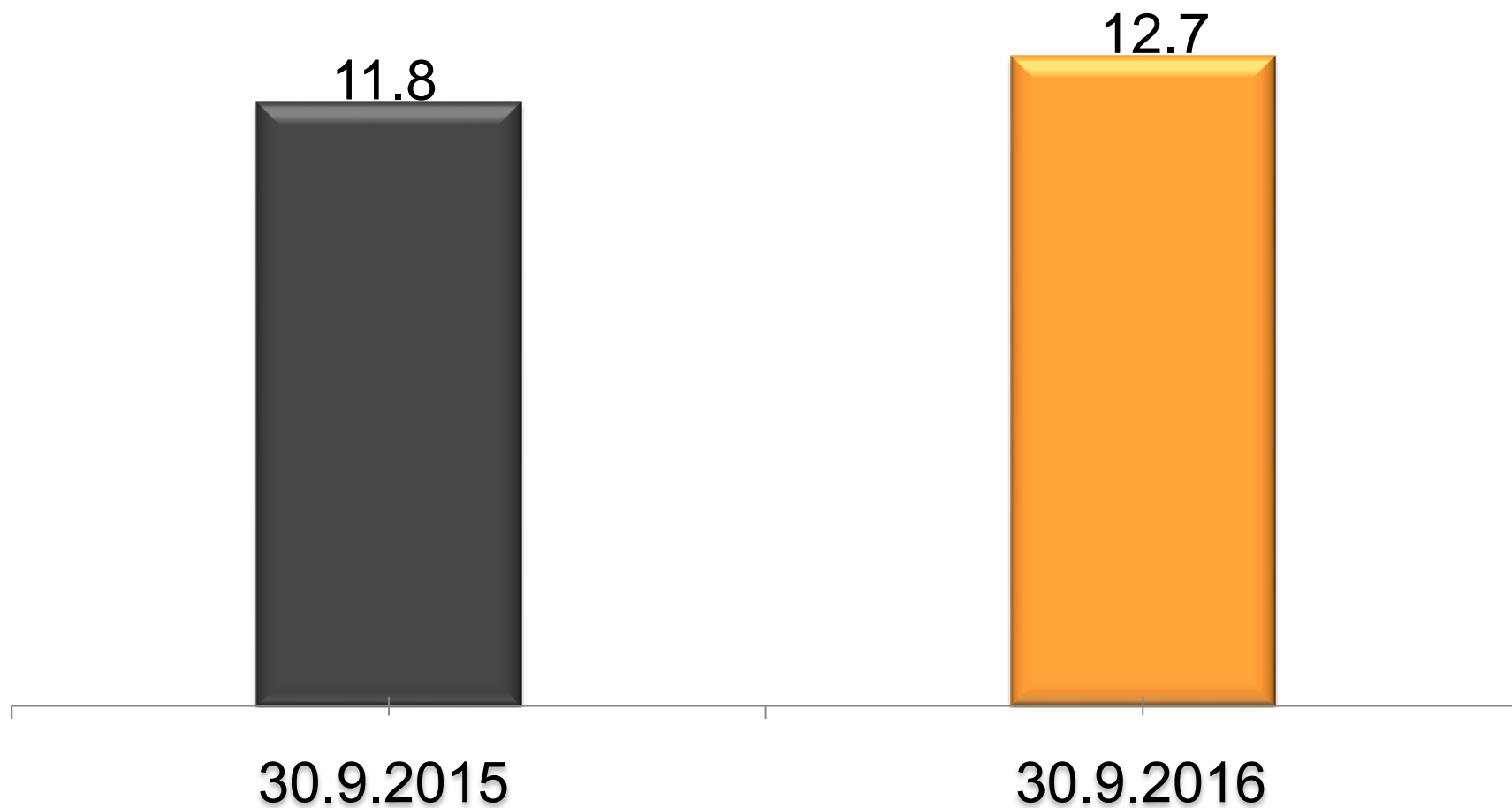


Net profit (NIS mil)



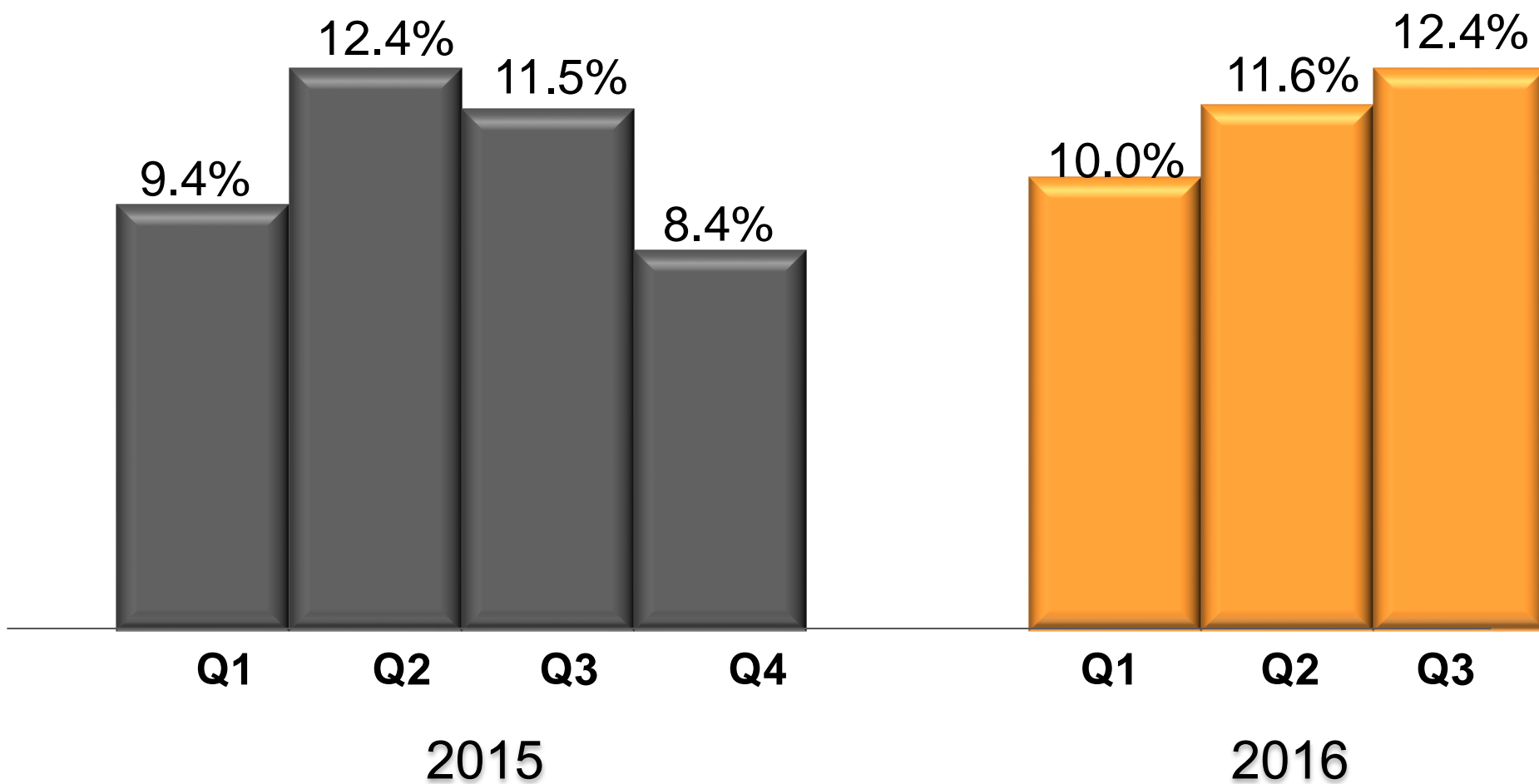


Equity (NIS bil)





Net profit - ROE (NIS mil)



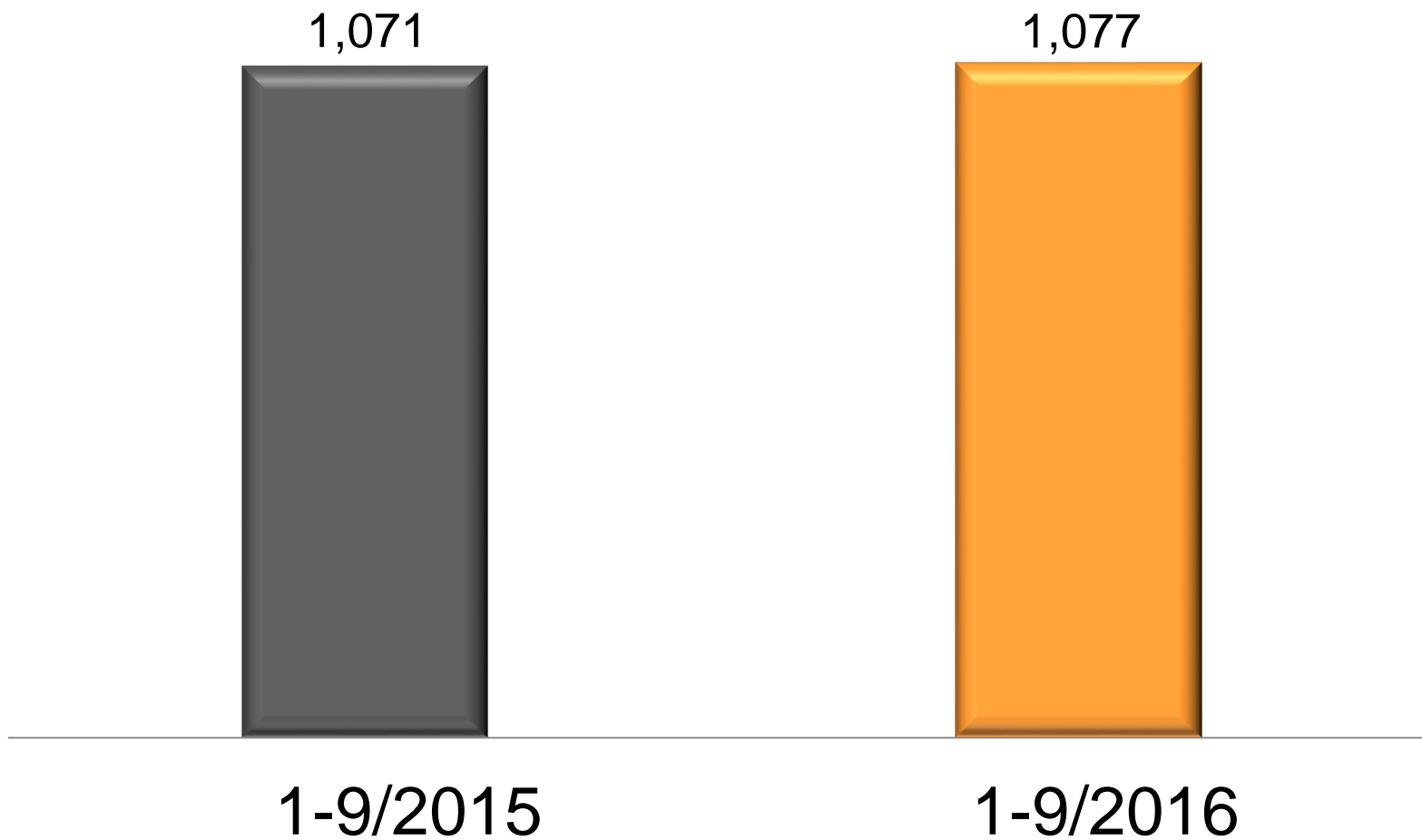


Financing Revenues (NIS mil)

	1-9/2016	1-9/2015	Rate of change
Interest revenues, net	2,830	2,714	
Non-interest financing revenues	176	231	
Total financing revenues	3,006	2,945	2.1
Less:			
Linkage differentials with respect to CPI position	(19)	(35)	
Revenues from collection of interest on troubled debt	33	37	
Gain from debentures	71	164	
Effect of accounting treatment of derivatives at fair value and others	47	166	
Total effects other than current operations	132	332	
Total financing revenues from current operations	2,874	2,613	10.0

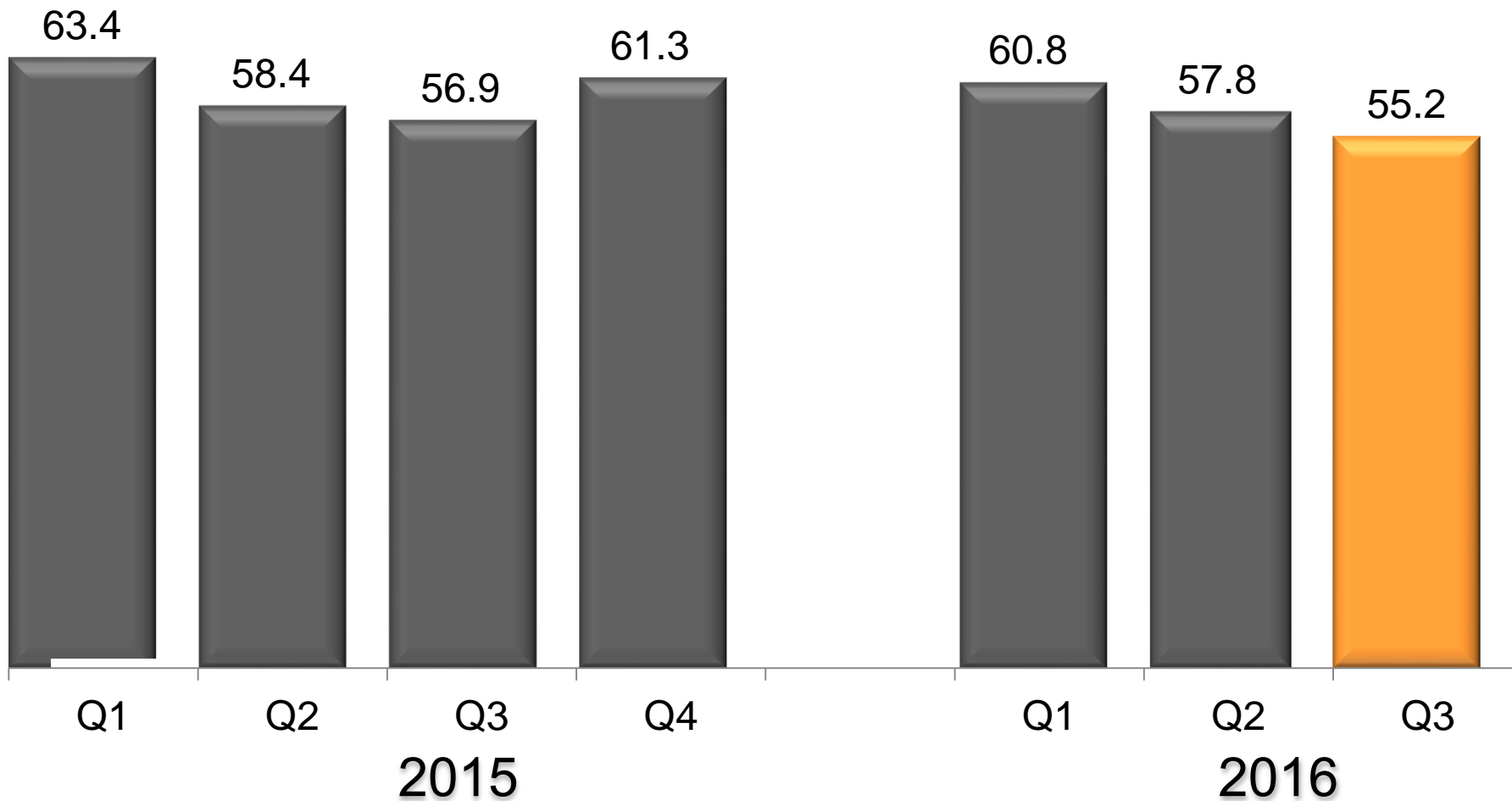


Operating commissions (NIS mil)



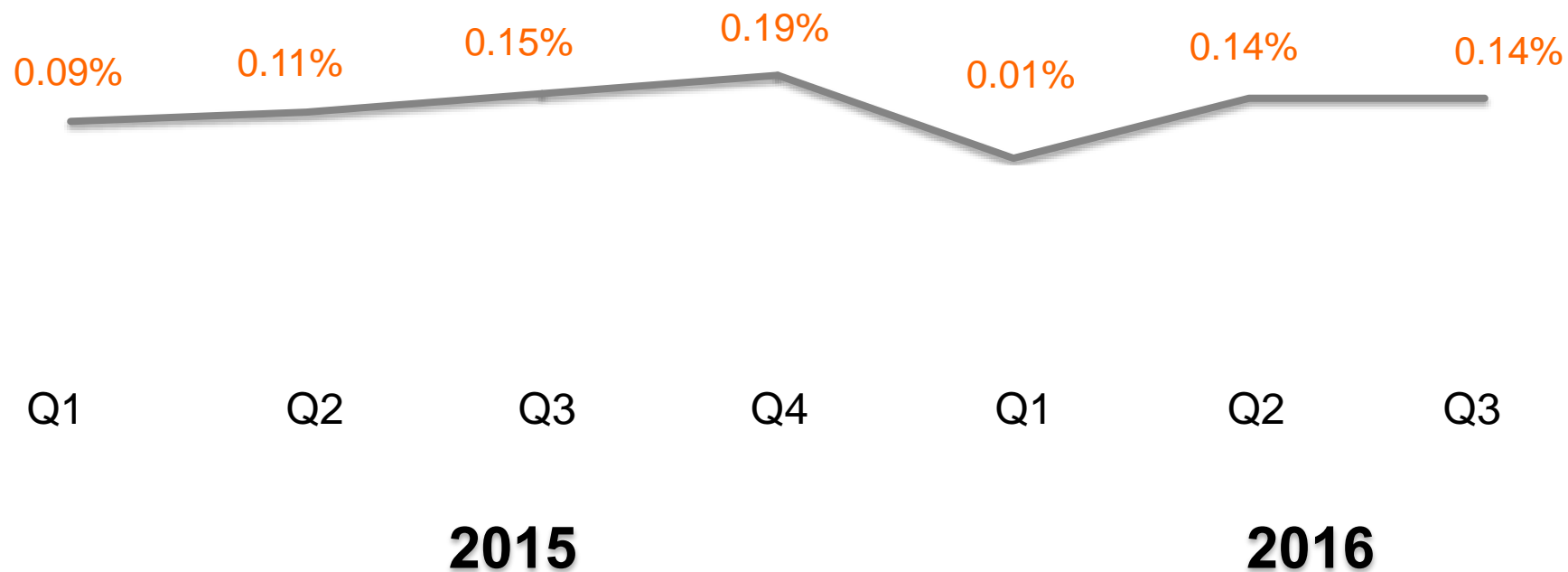


Cost / income ratio





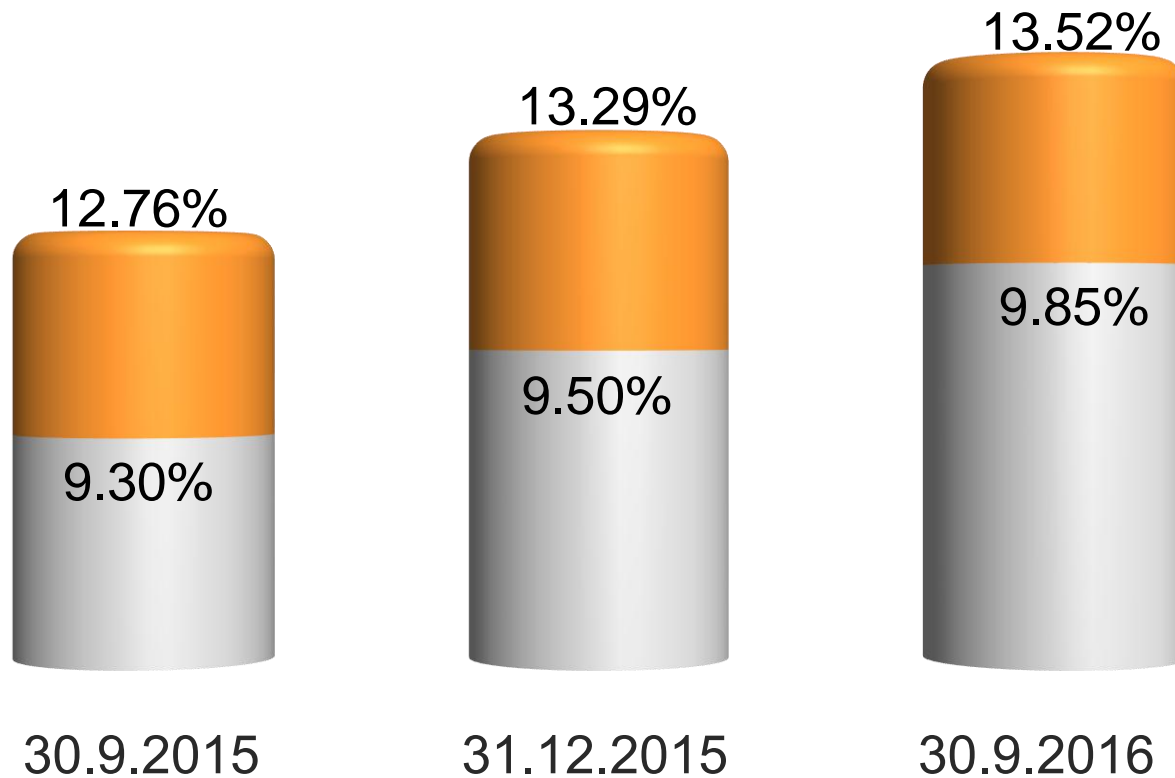
Provisions / loans to the public





Capital adequacy

Tier I



Dividend (NIS mil)

Year	Amount
2015	122.1
2016 (Q1-Q2)	94.2
2016 (Q3)	56.0
Total	272.3