



MIZRAHI TEFAHOT

# Financial Statements

## December 2015





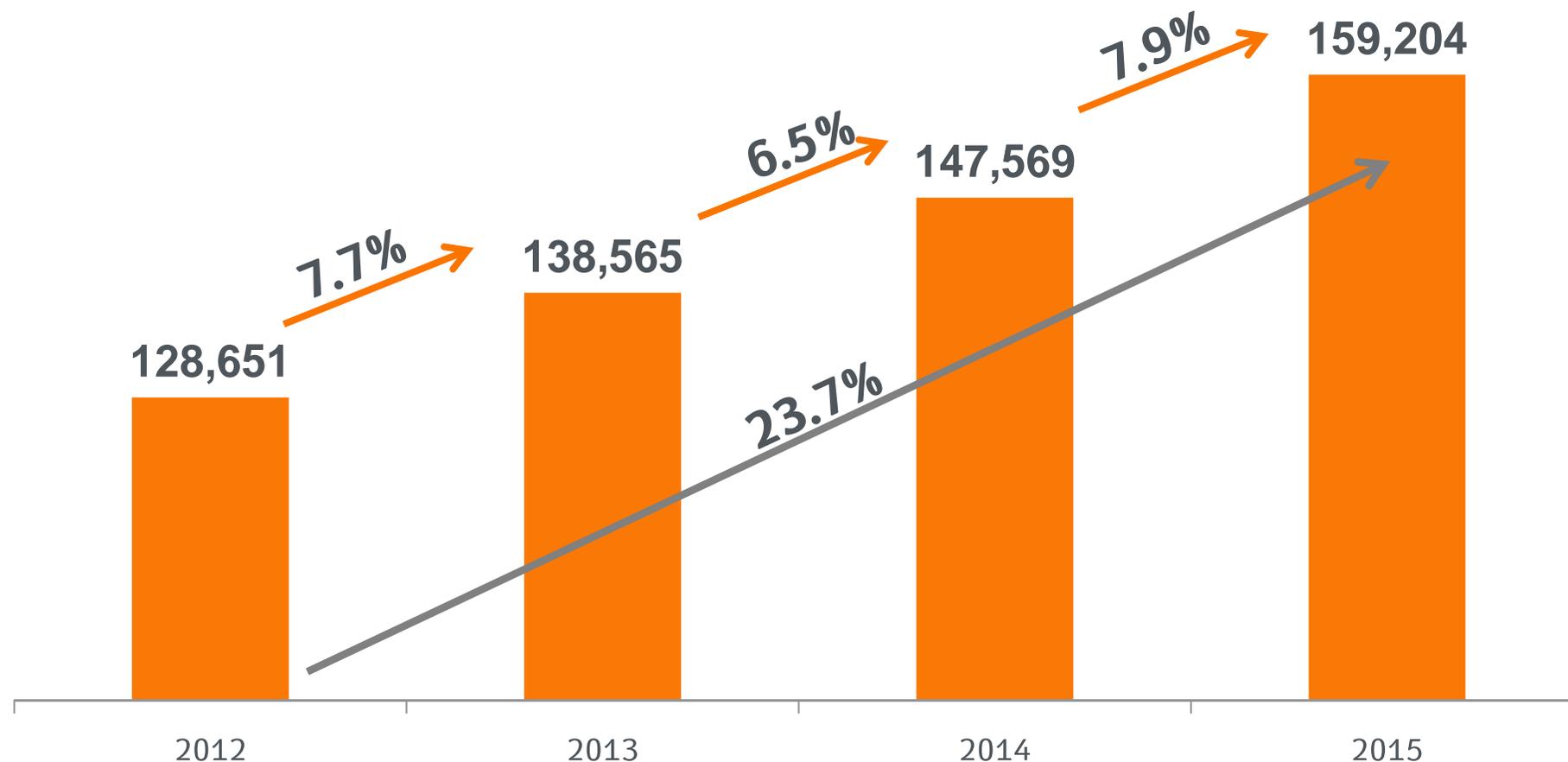
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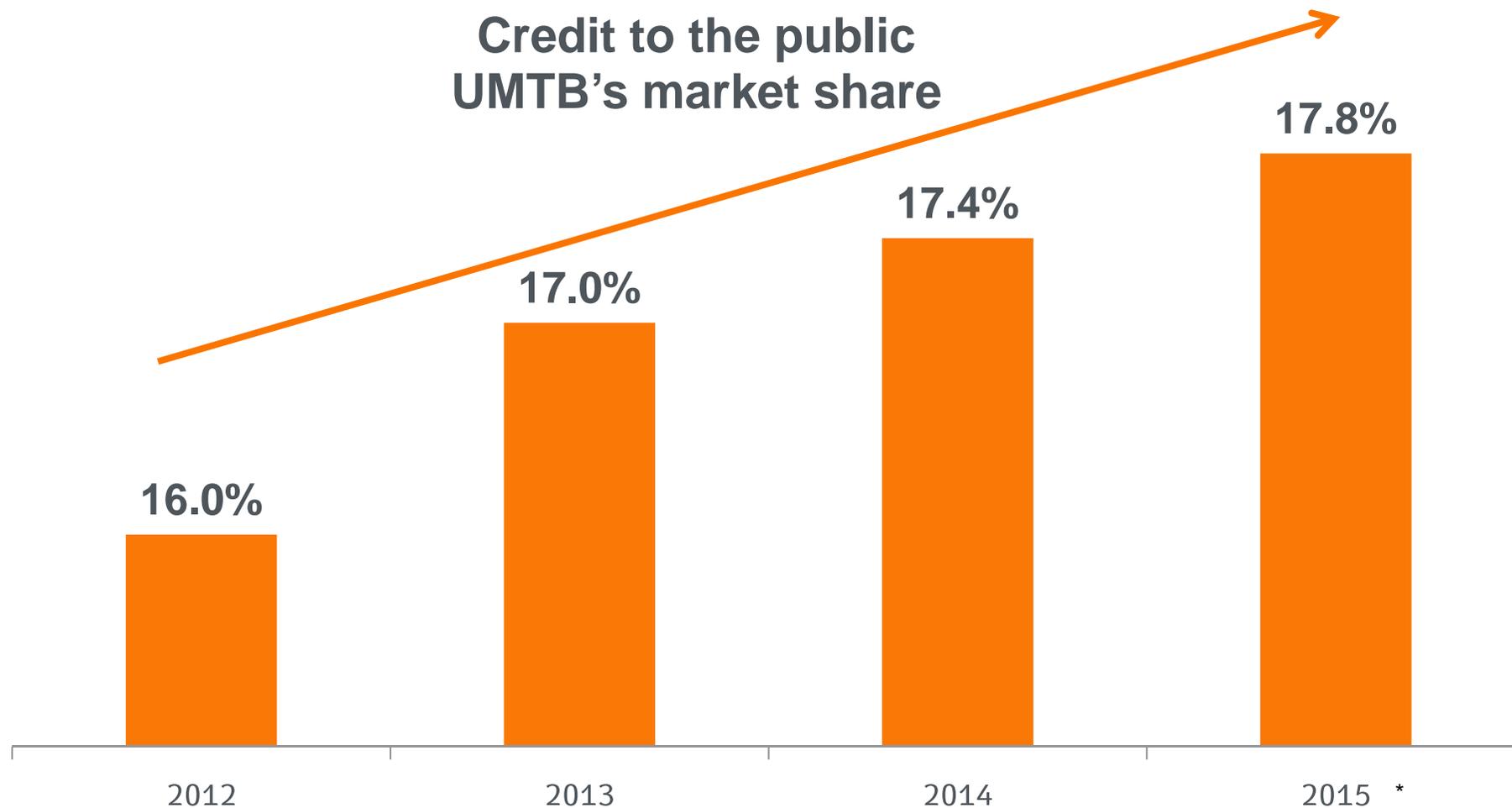
# Loan growth

Credit to the public  
NIS mil





# Loan growth

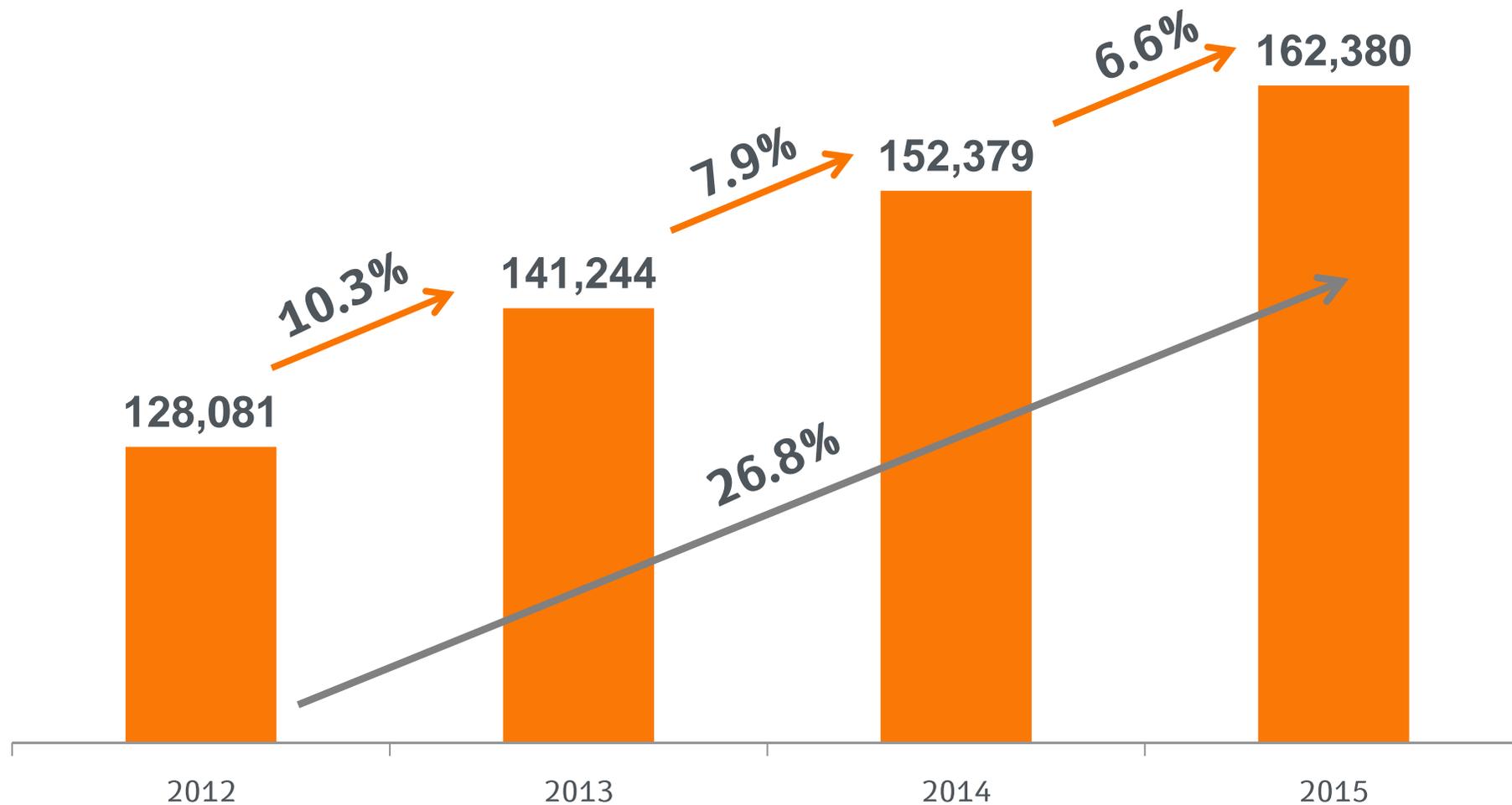


\* 2015 data – as of Q3/2015



# Deposit growth

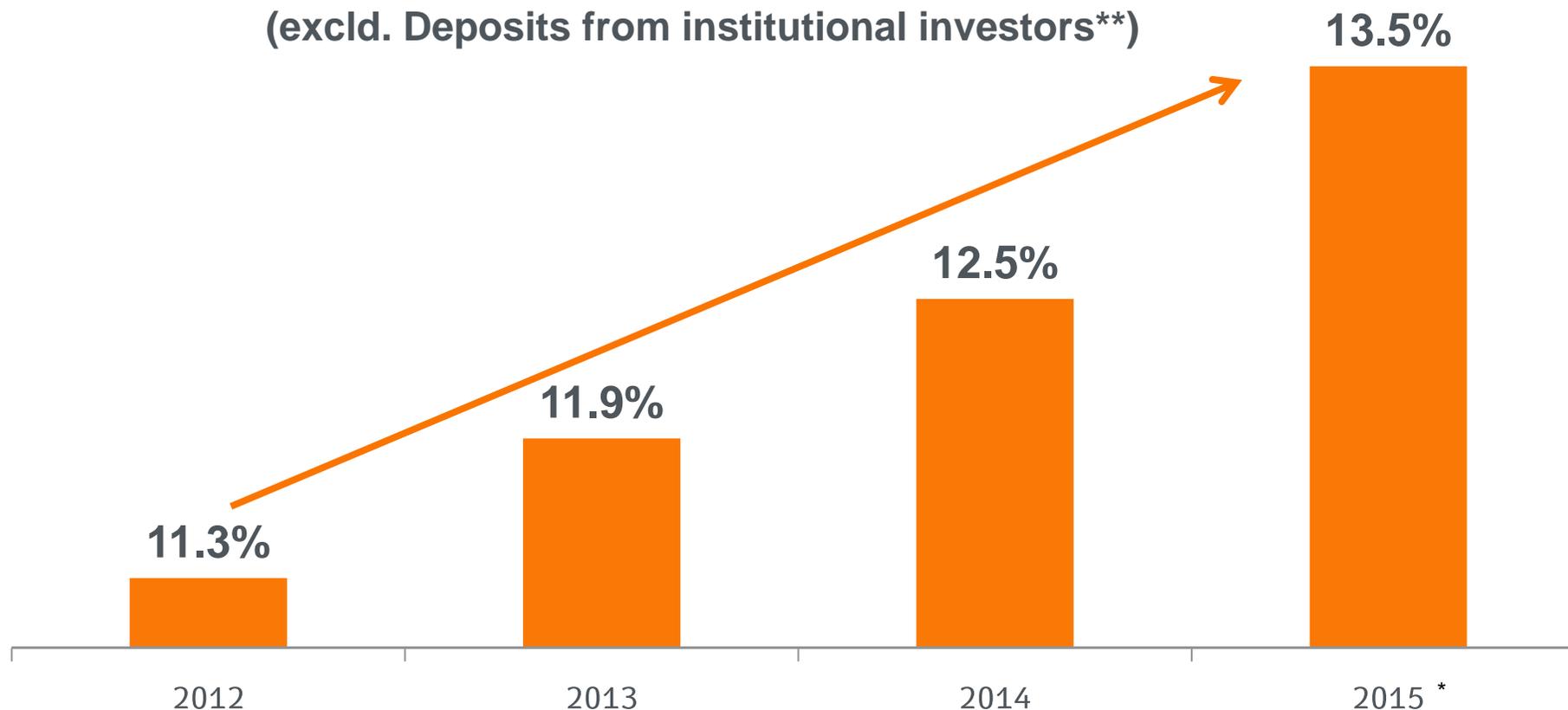
Deposits from the public  
NIS mil





## Deposit growth

### Deposits from the public UMTB's market share (excl. Deposits from institutional investors\*\*)



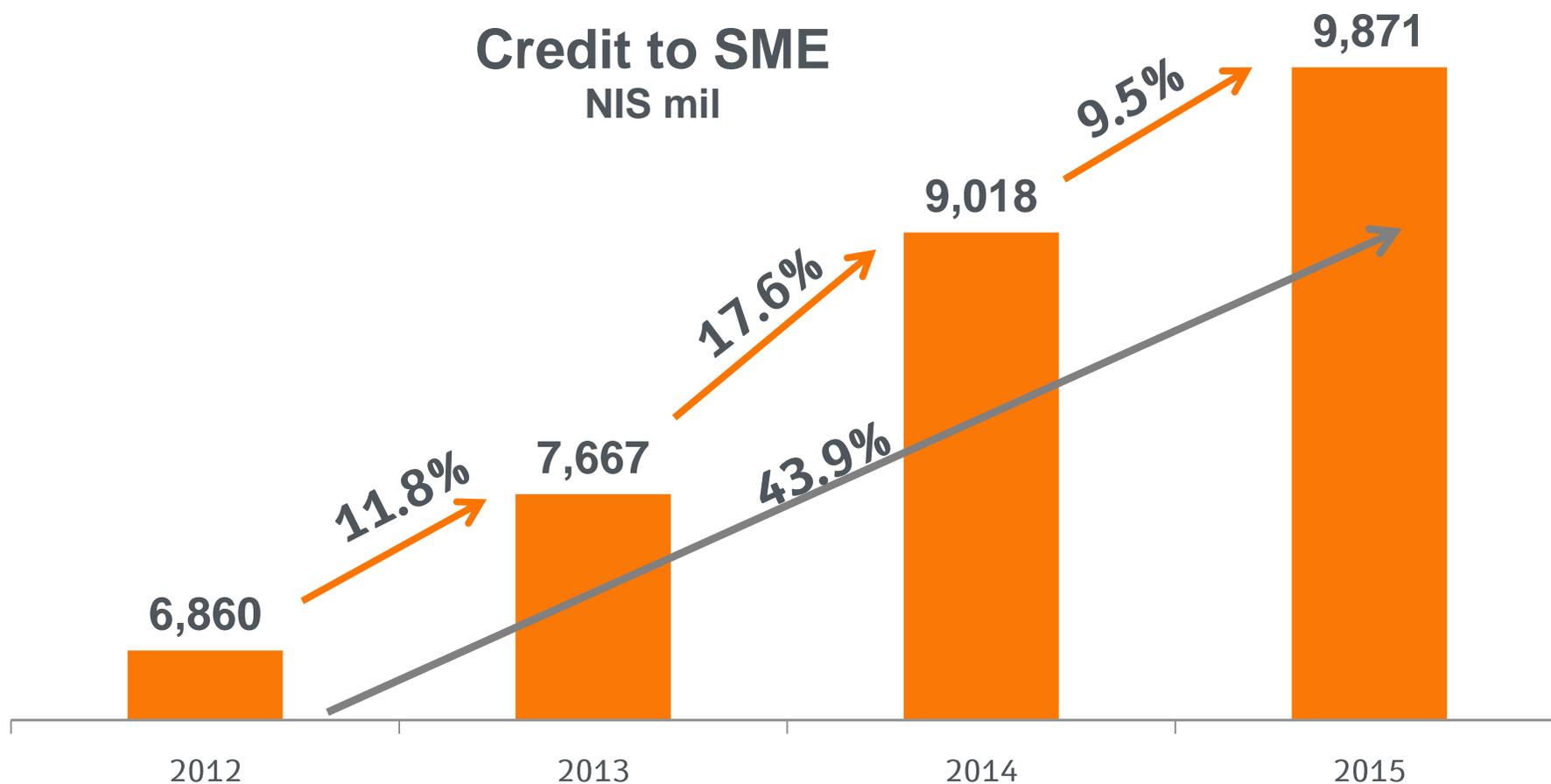
***UMTB was mandated in 2016 as the sole manager of deposits for foreign employees in Israel, which will serve as a growth engine***

\* 2015 data – as of Q3/2015

\*\* see notes to financial statements - regarding deposits from the public



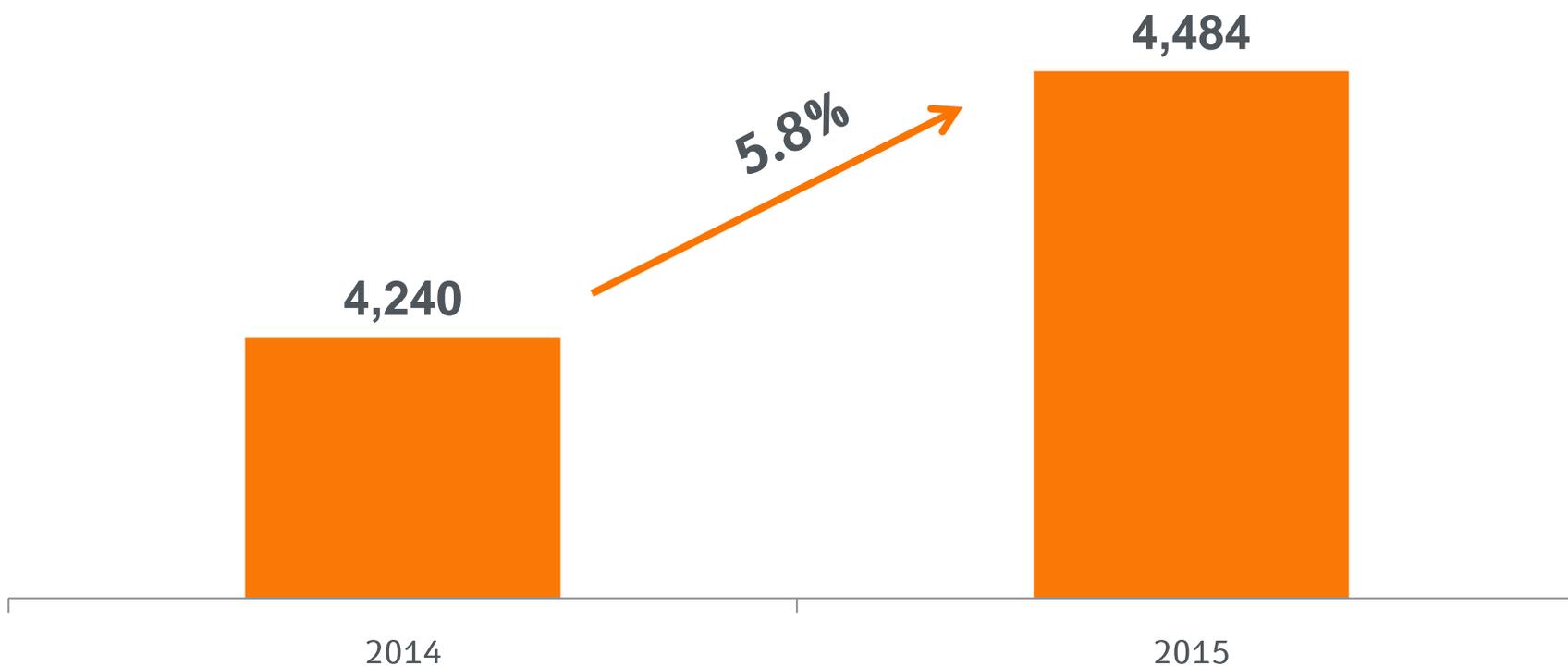
## SME segment



*The bank will continue to benefit from its ability to access government guaranteed funds for SME in the next 4 years*



## Credit to commercial banking segment NIS mil

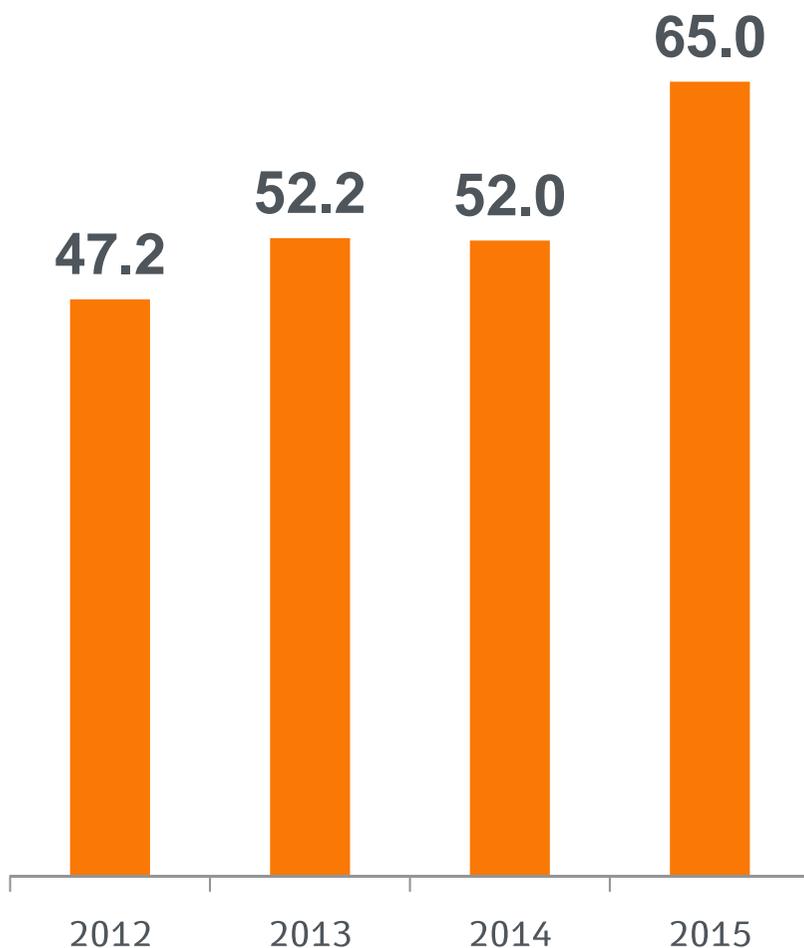


*Focus on commercial banking clients policy was adopted further to the successful increase in SME activity*



# Mortgage market: continue to lead while keeping high quality underwriting of mortgages

### Volume of new mortgage loans in the system (NIS bil)



### Main risk parameters for new mortgages (2011-2015, the system)

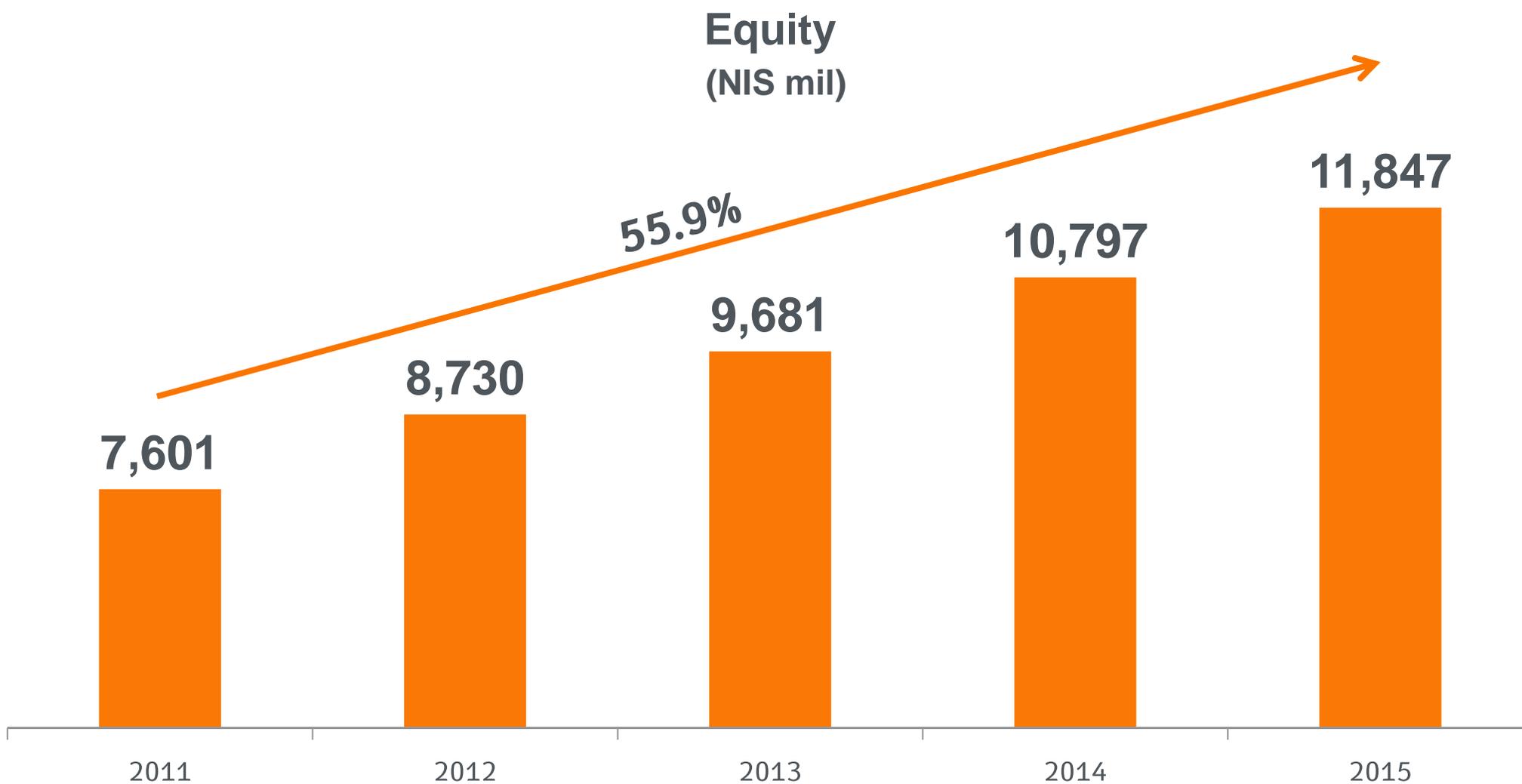
<u>2011</u>		<u>2015</u>
54.5%	Average LTV*	51.8% ↓
32.6%	Average payment load*	25.8% ↓
1.59%	Rate of mortgages in arrears** out of the total mortgage portfolio	0.77% ↓

\* LTV and payment load for the period 4-12.2011 compared with 1-12/2014, mortgages in arrears 12/11 compared with 12/15

\*\* over 90 days

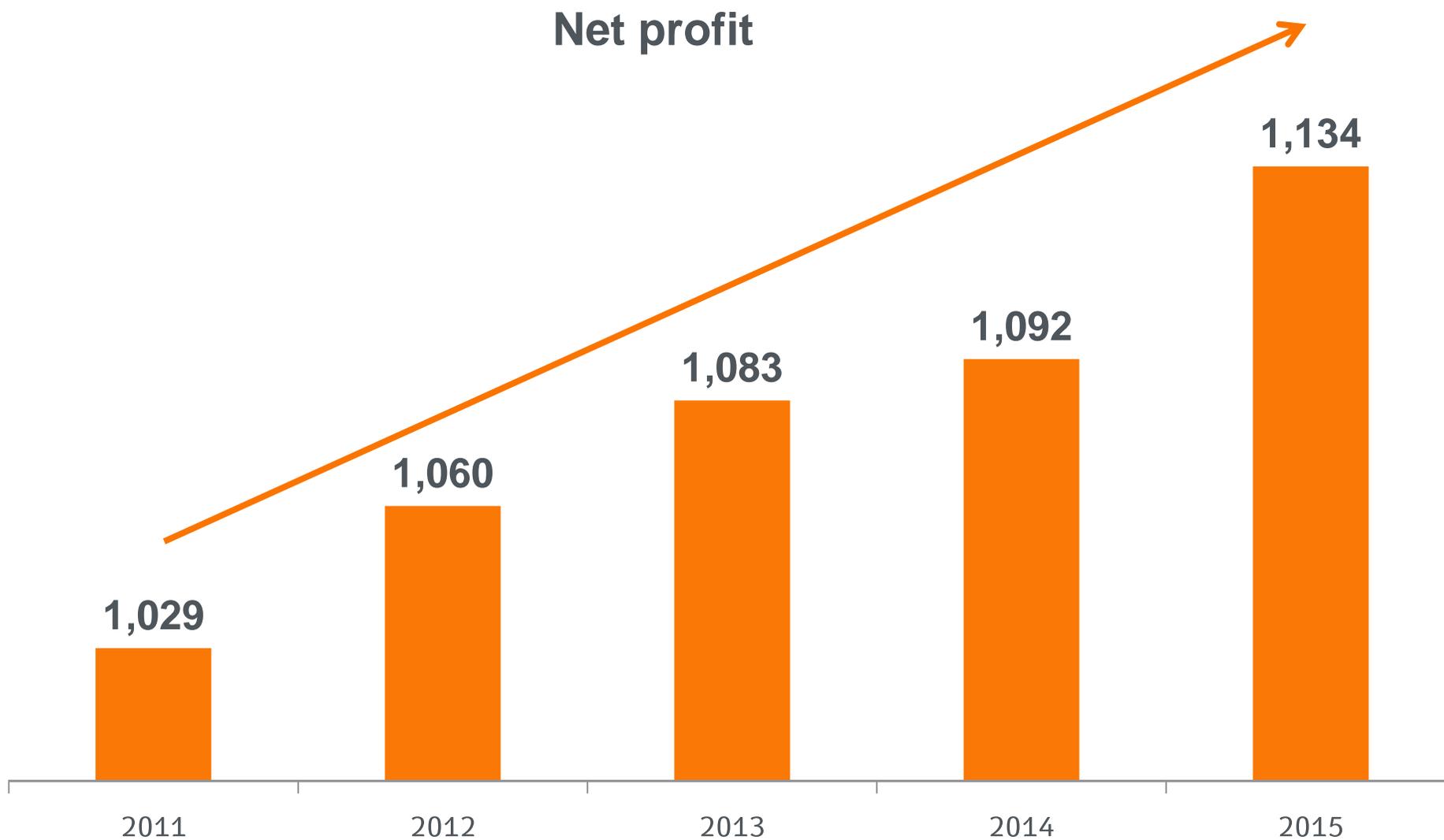


## Increasing equity base



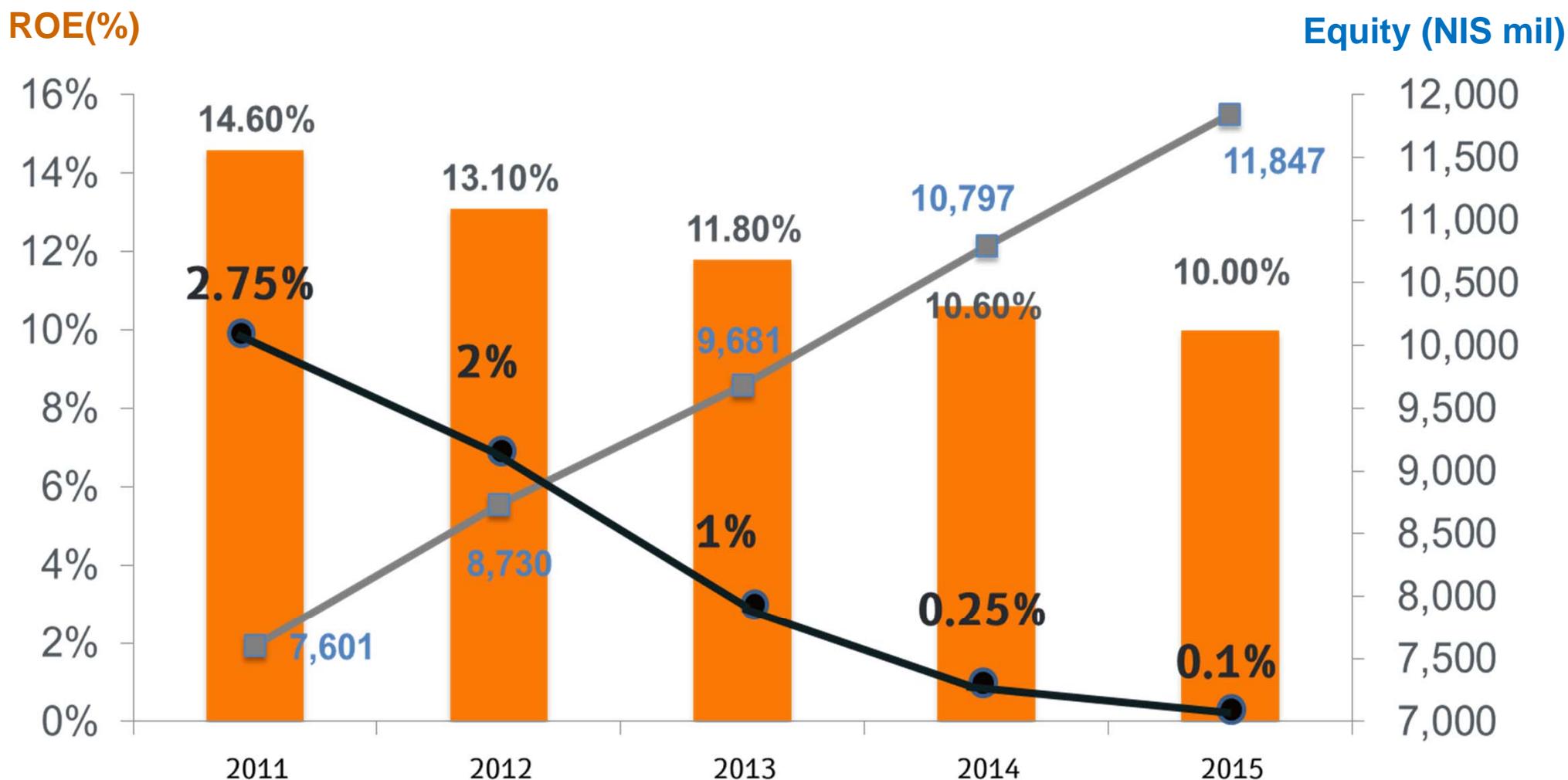


## Continued growth in net profit





# Double digit ROE despite dramatic increase in Equity and continued decrease in interest rates

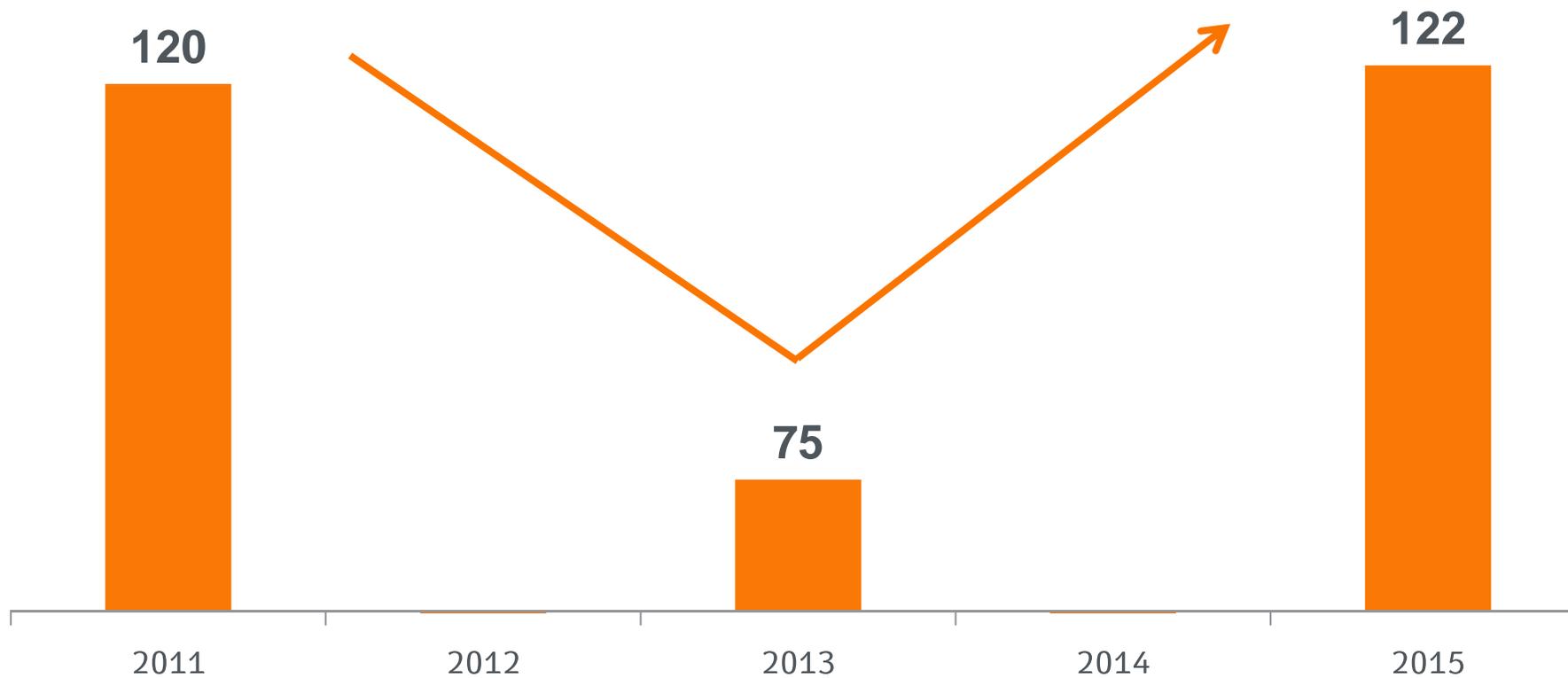


In black – Bank of Israel interest rate at the end of a calendar year



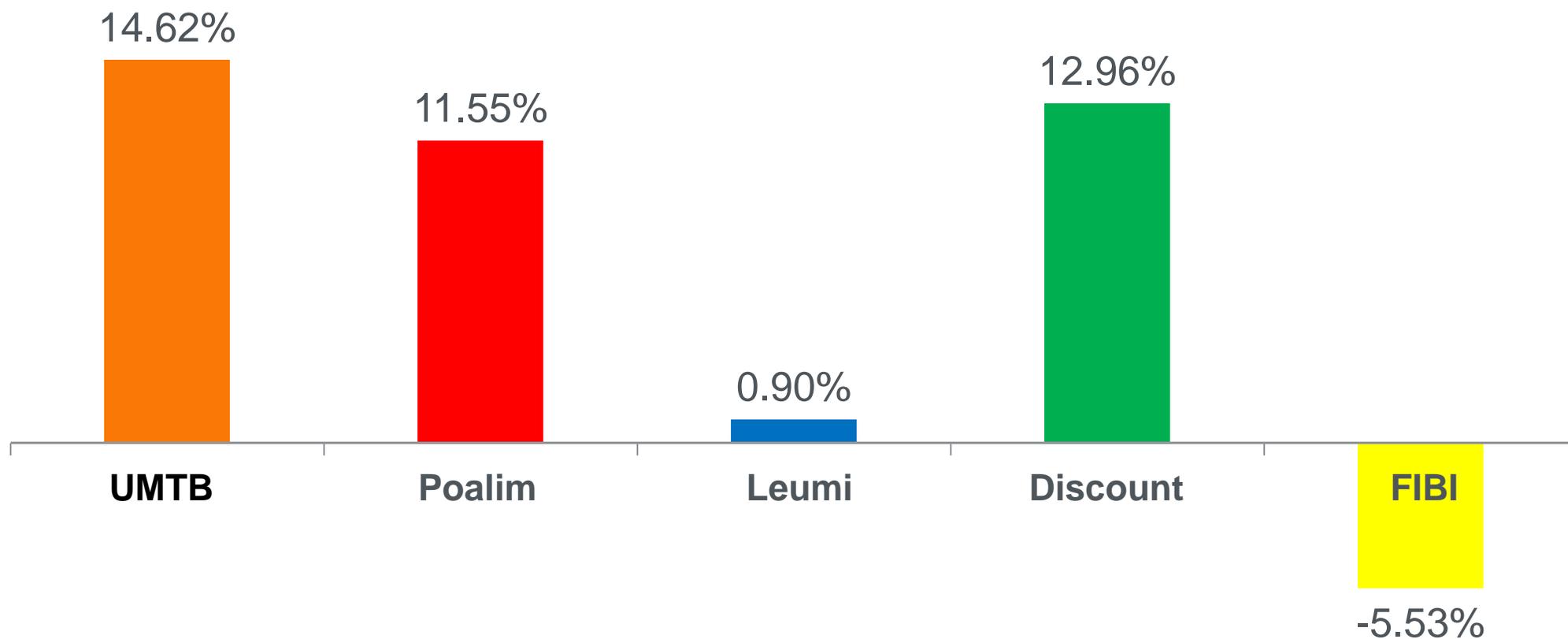
# Back to dividend distribution

## Dividend distribution (NIS mil)





# Best performing (2015 annual yield) stock among peers





## Progress in line with the strategic plan

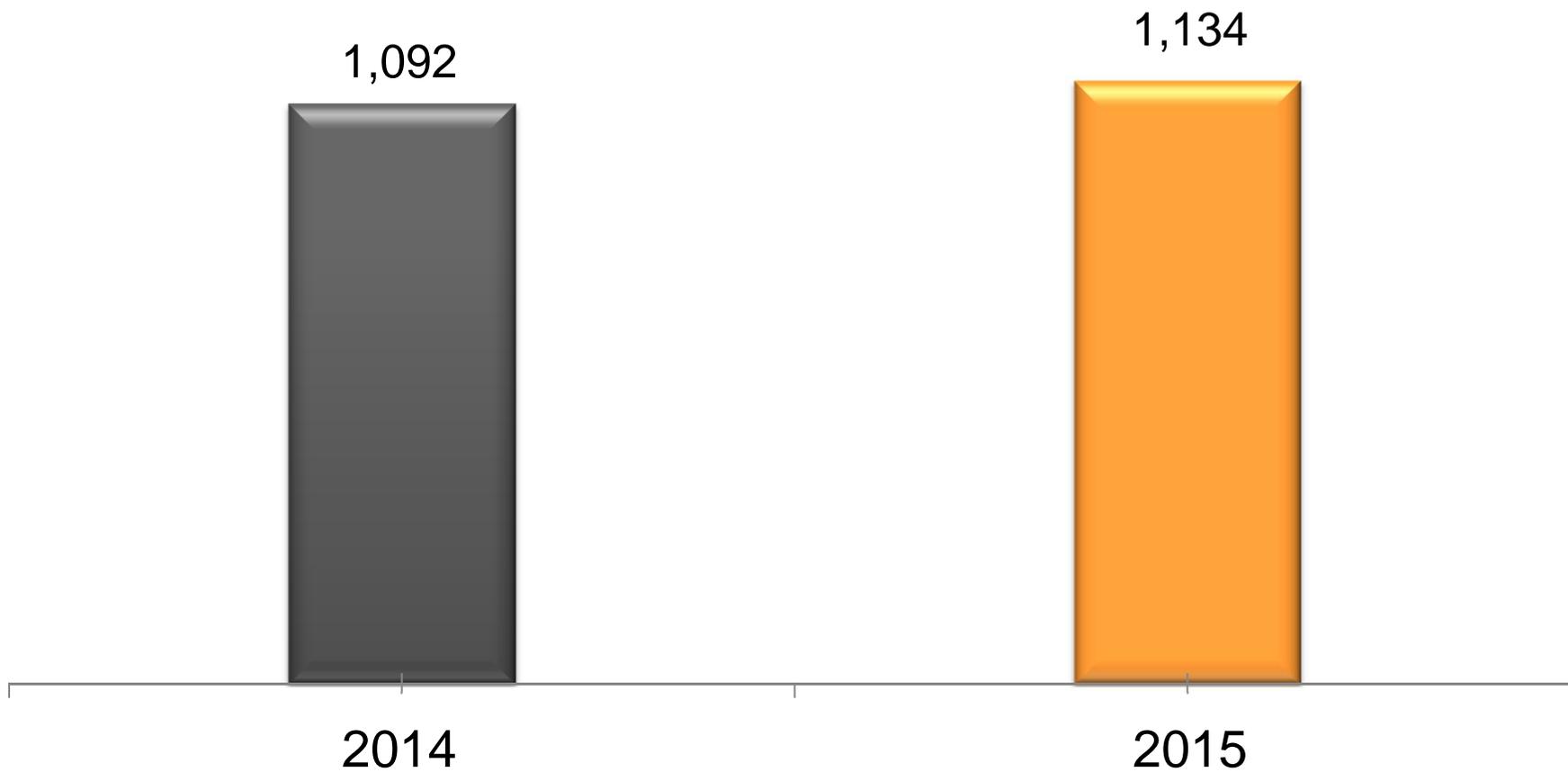
Market Shares	30.9.2015	31.12. 2017 Updated plan	31.12.2017 Original plan
Loans to the Public	17.8%	19.0%	17.5%
Balance Sheet Debt in Israel	19.1%	20.0%	18.0%
Deposits from the Public	15.2%	17.5%	16.0%
Mortgages (New Initiations)	35.4% *	+35%	+35%



# Financial results

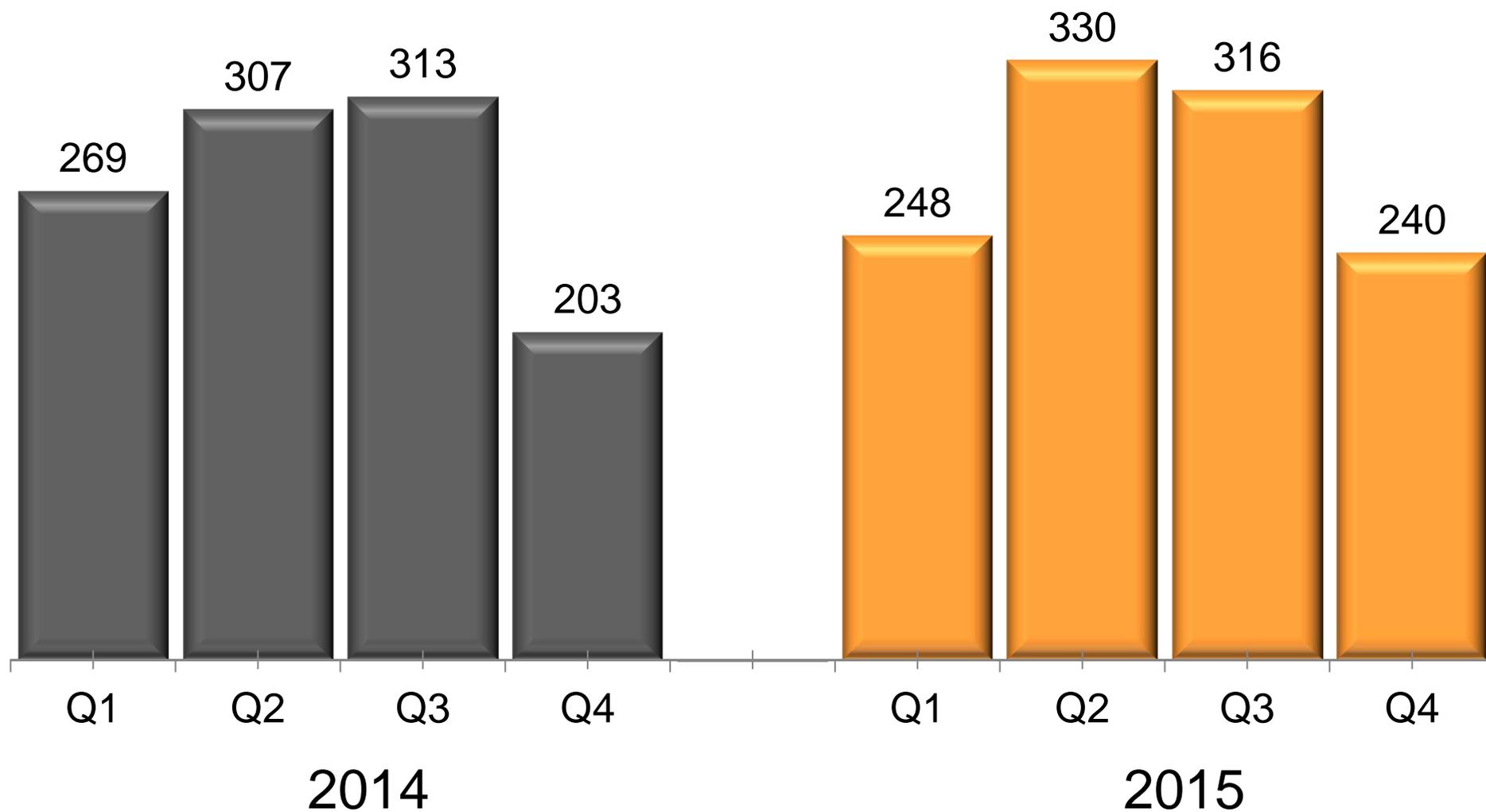


## Net profit (NIS mil)



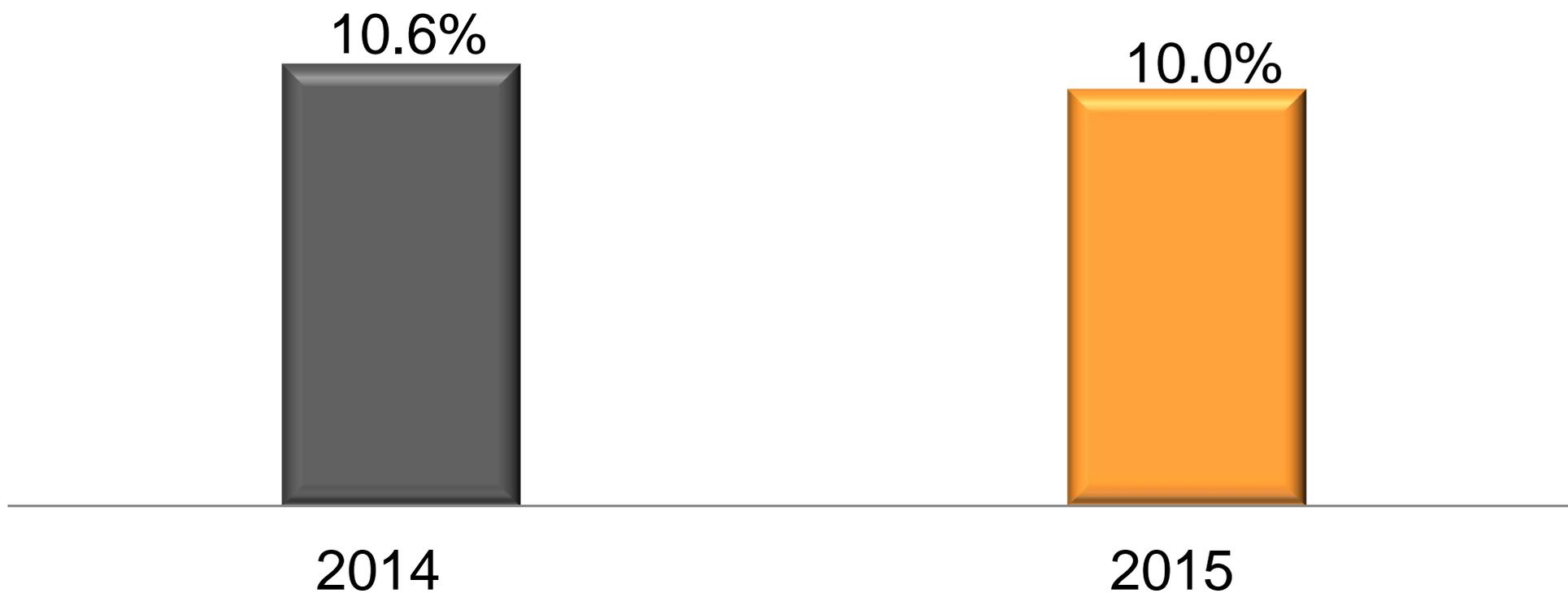


# Net profit (NIS mil)



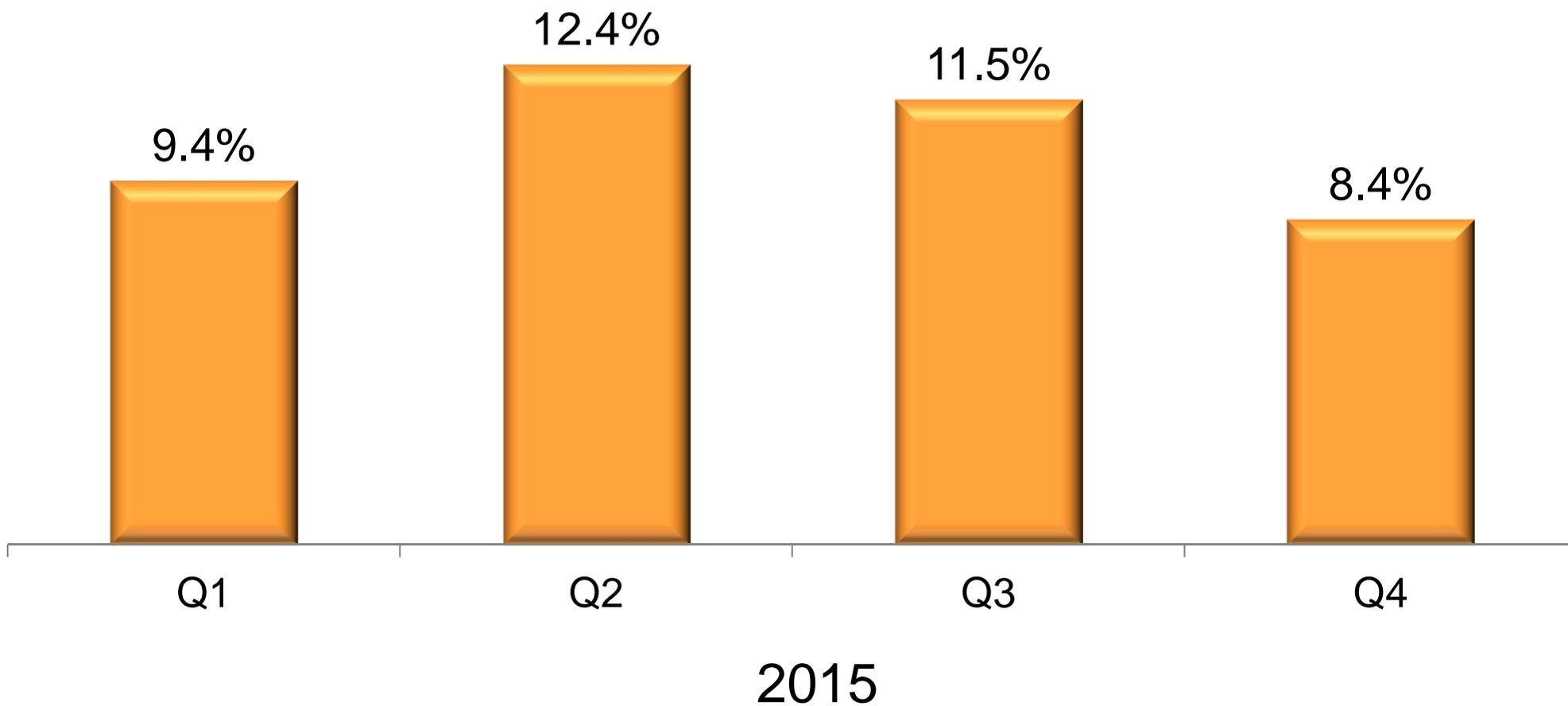


## Net profit - ROE (NIS mil)



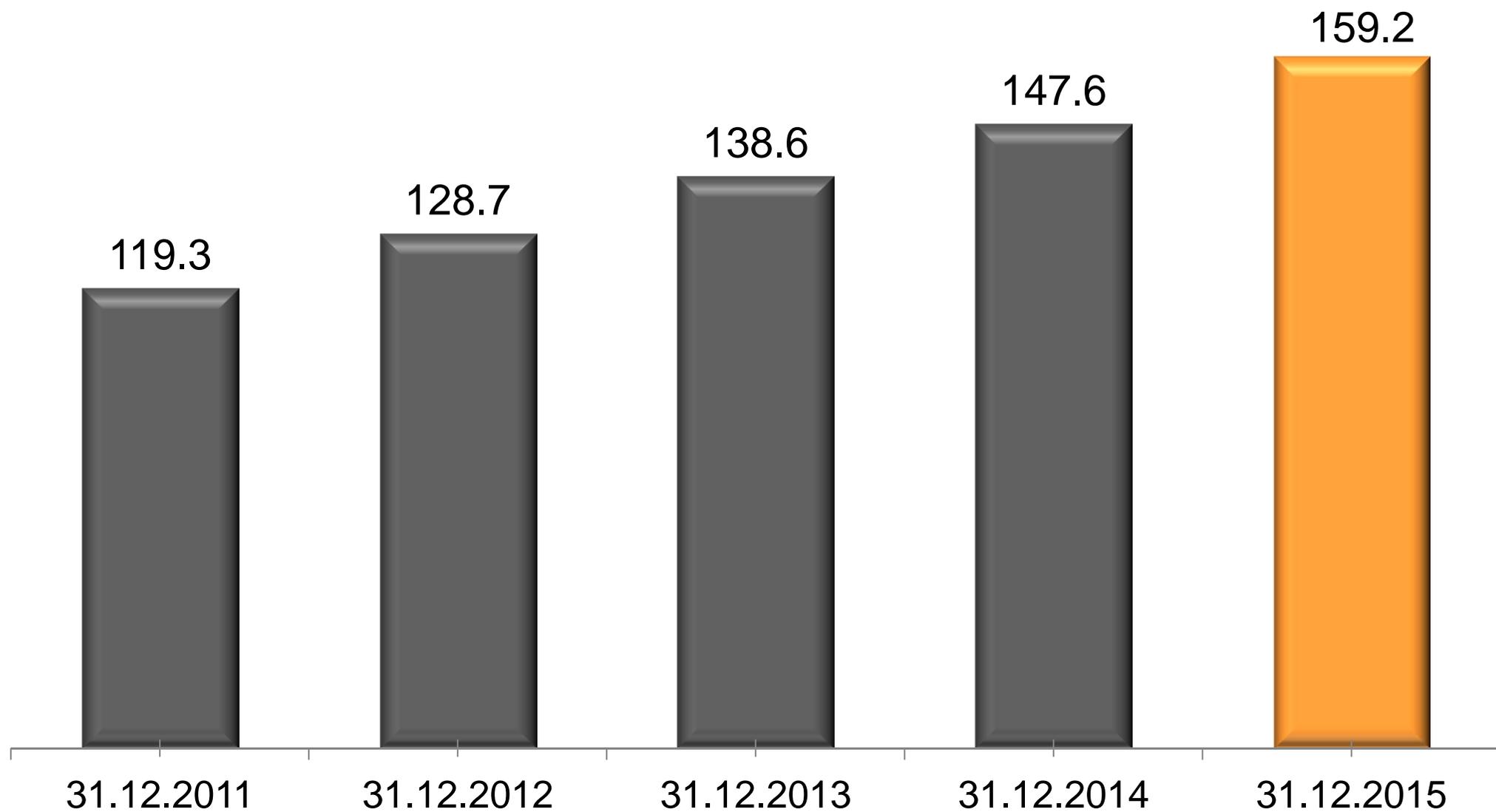


# Net profit - ROE (NIS mil)



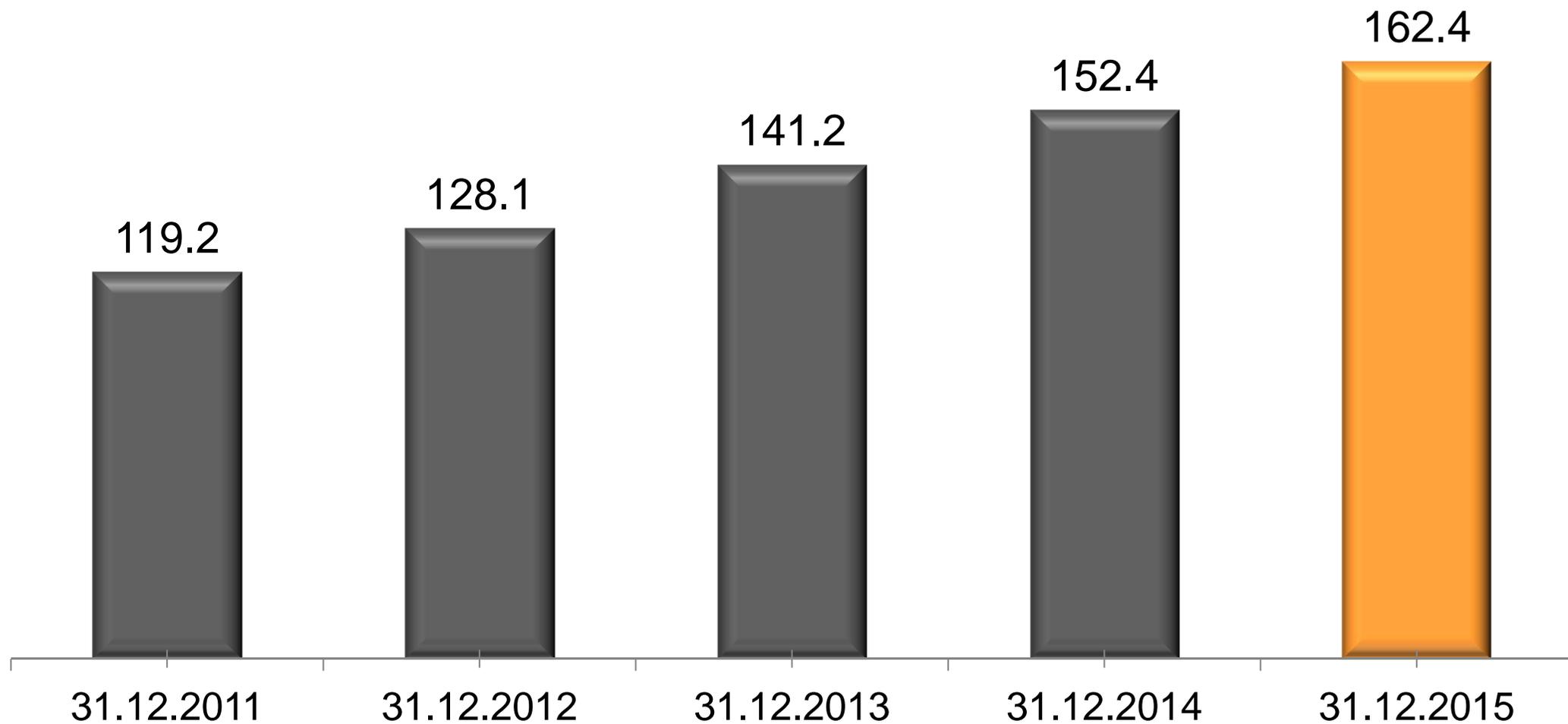


## Loans to the public (NIS bil)



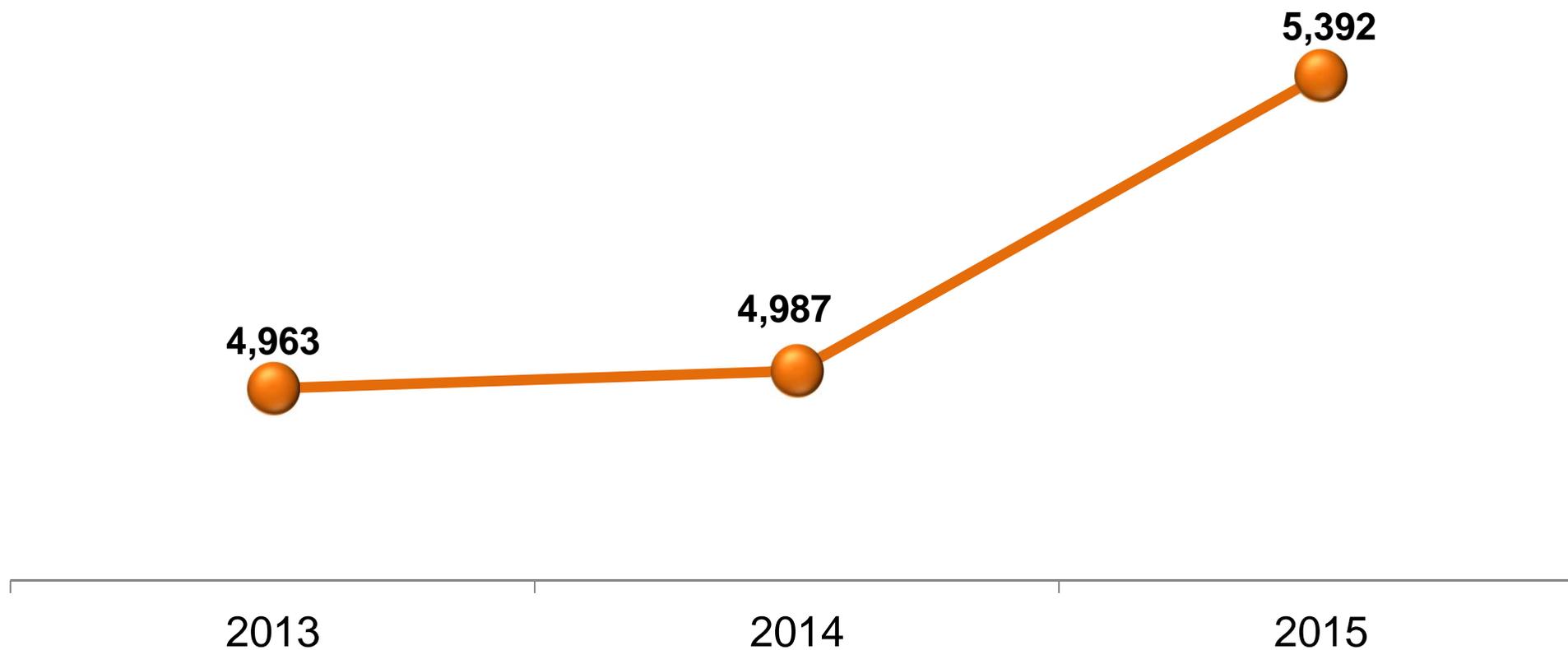


## Deposits from the public (NIS bil)





## Total Revenues\* (NIS mil)



\* Including interest revenues net, and non interest revenues

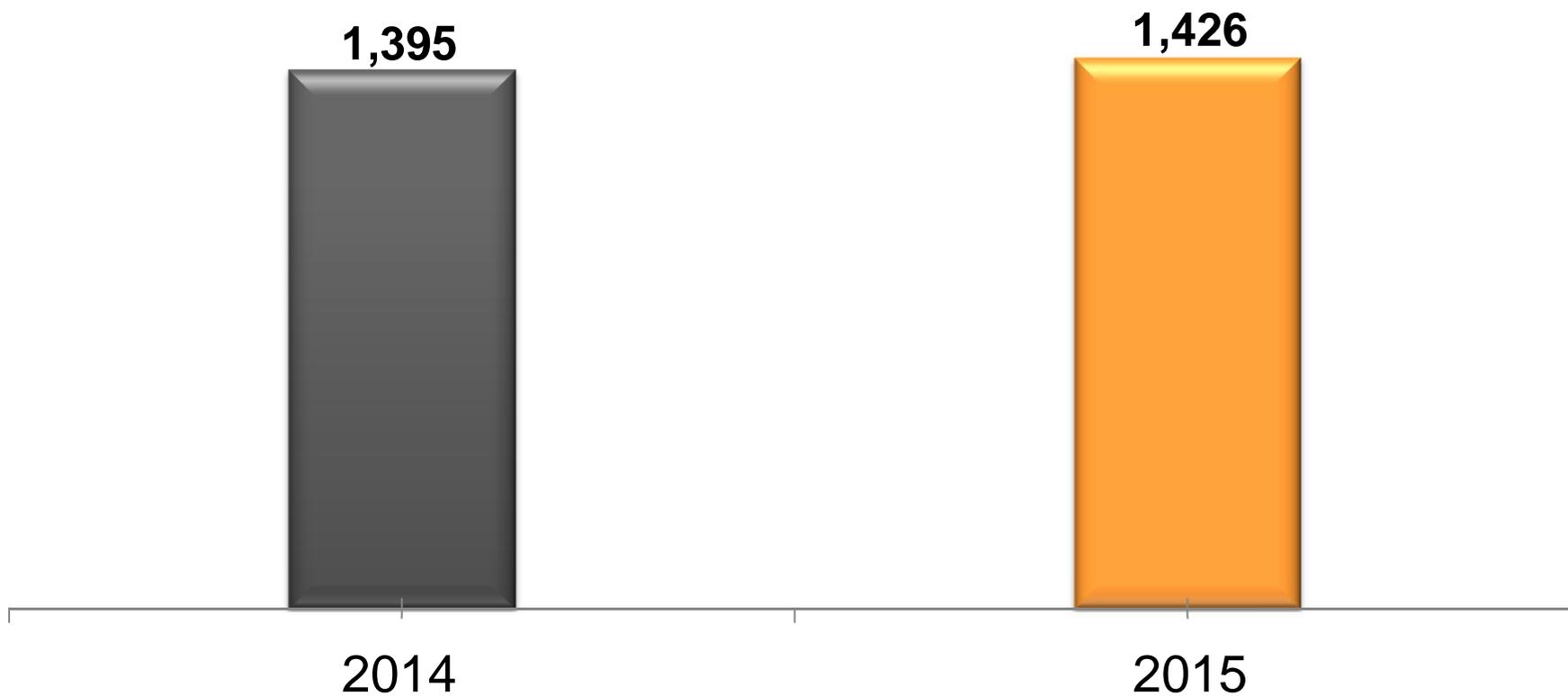


## Financing Revenues (NIS mil)

	2014	2015	Rate of change
Interest revenues, net	3,375	3,534	
Non-interest financing revenues	173	358	
Total financing revenues	3,548	3,892	9.7
Less:			
Linkage differentials with respect to CPI position	(11)	(130)	
Revenues from collection of interest on troubled debt	77	49	
Gain from debentures	125	180	
Effect of accounting treatment of derivatives at fair value and others	(105)	(16)	
Total effects other than current operations	86	83	
Total financing revenues from current operations	3,462	3,809	10.0
<b>Bank of Israel interest at the end of the period</b>	<b>0.25%</b>	<b>0.10%</b>	

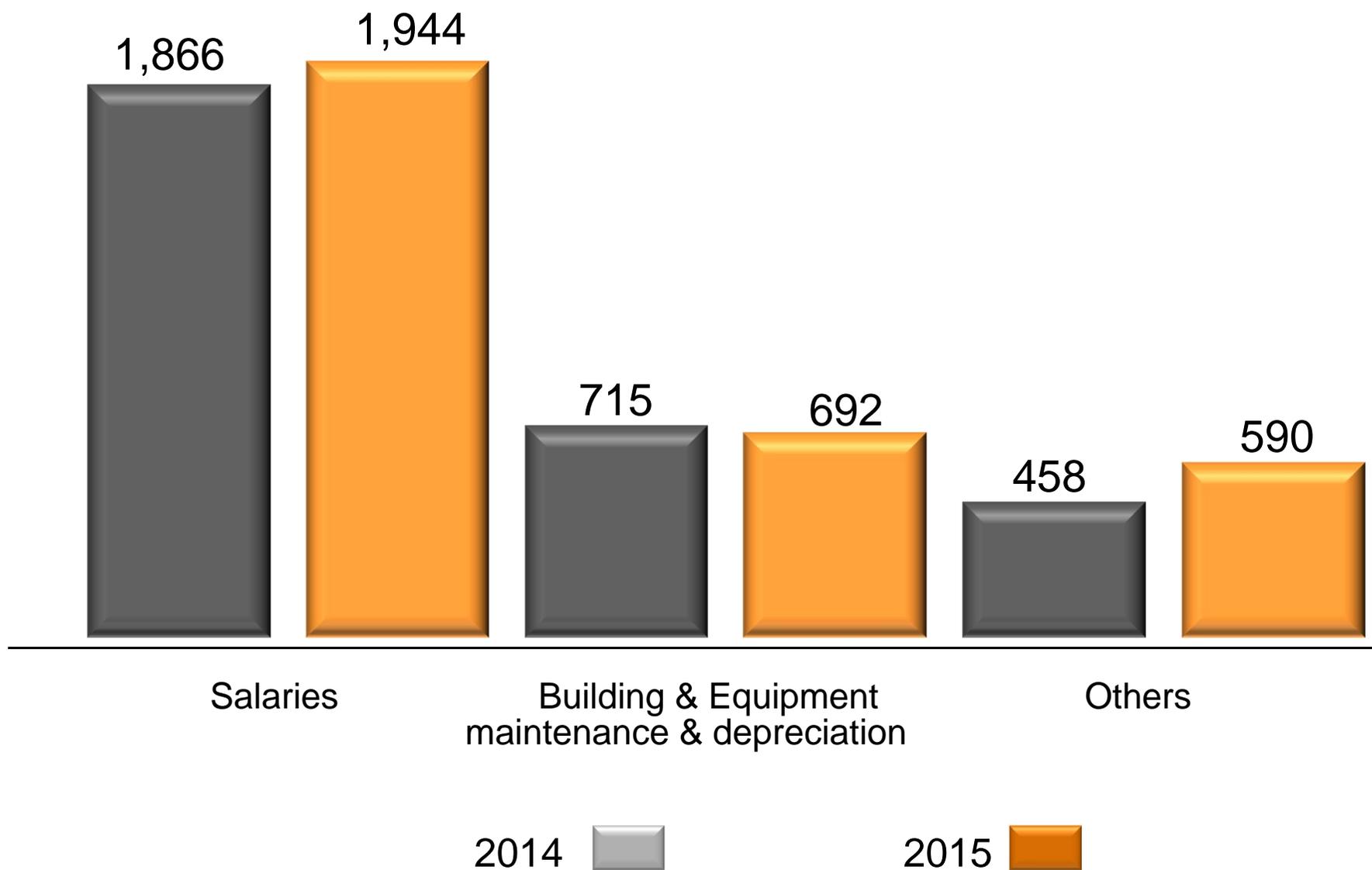


## Commissions (NIS mil)



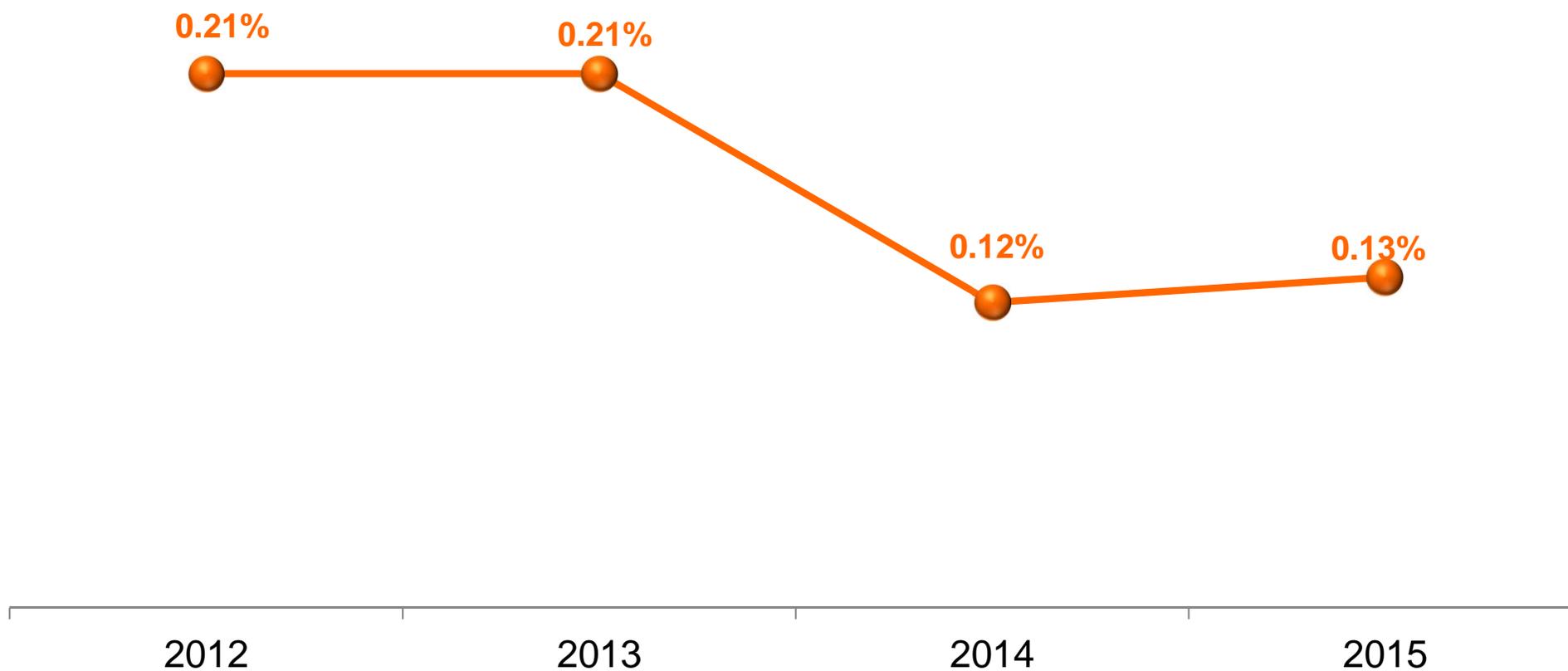


## Operating and other expenses (NIS mil)





# Provisions/loans to the public





# Capital adequacy

