



MIZRAHI TEFAHOT

Financial Statements

March 2016





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Main factors

Growth

- Income
- Assets
- Customers' base
- Market share

Focus

- Focusing on high quality business and private clients
- Focusing on increasing margins on mortgages
- Focusing on efficiency in Bank's assets and capital

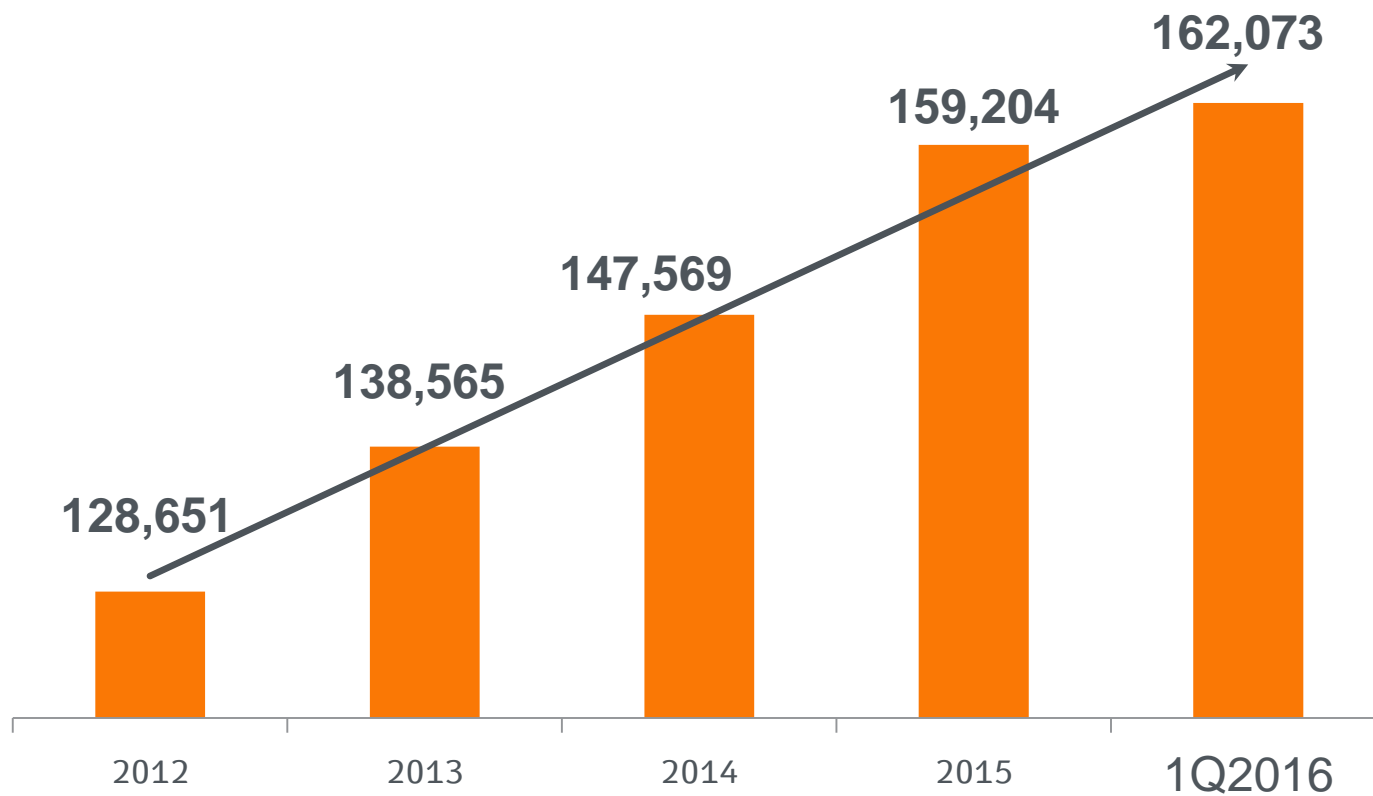
Culture

- Continued implementation of compliance culture
- Implementing culture of achievements and excellence



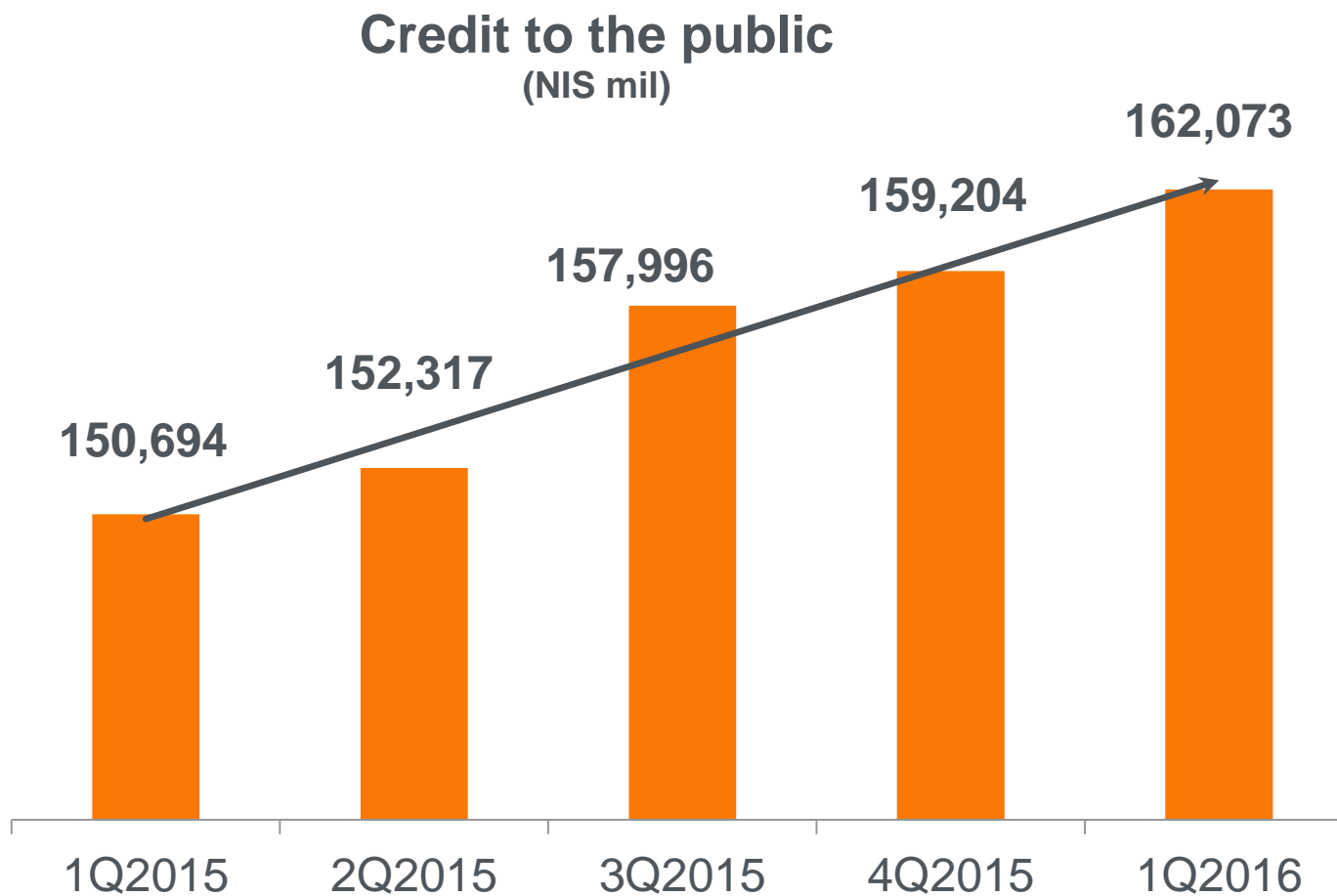
Continuous loan growth

Credit to the public
(NIS mil)





Continuous loan growth

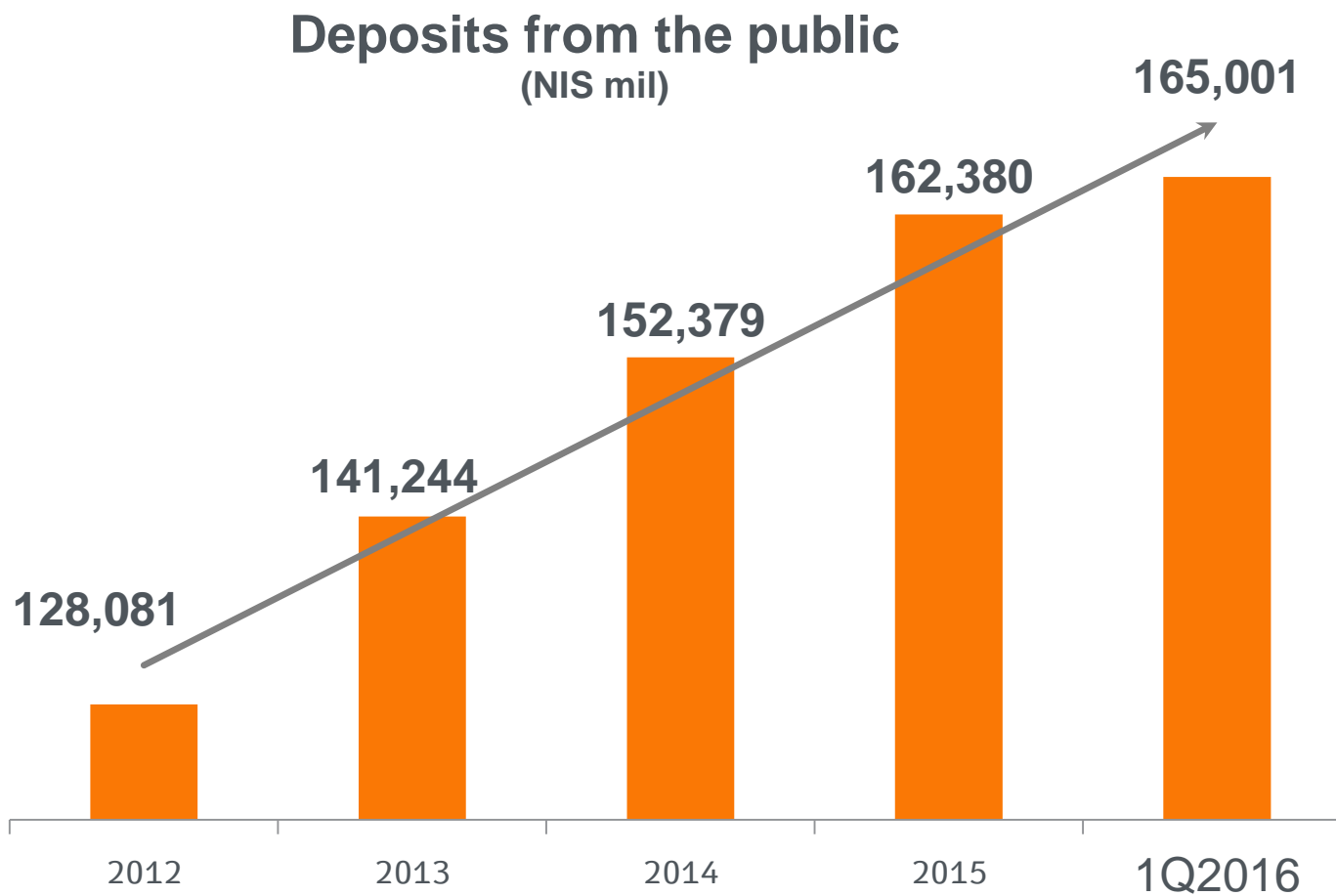




Loans to the public			
	31.03.2016	31.03.2015	% of change
Mortgages	103,379	92,947	11.22%
Households	22,253	20,872	6.63%
Private banking	942	939	0.32%
Small businesses	10,244	9,216	11.15%
Commercial banking	4,529	4,419	2.49%
Corporate banking	20,726	22,301	(7.09%)
Total	162,073	150,694	7.55%



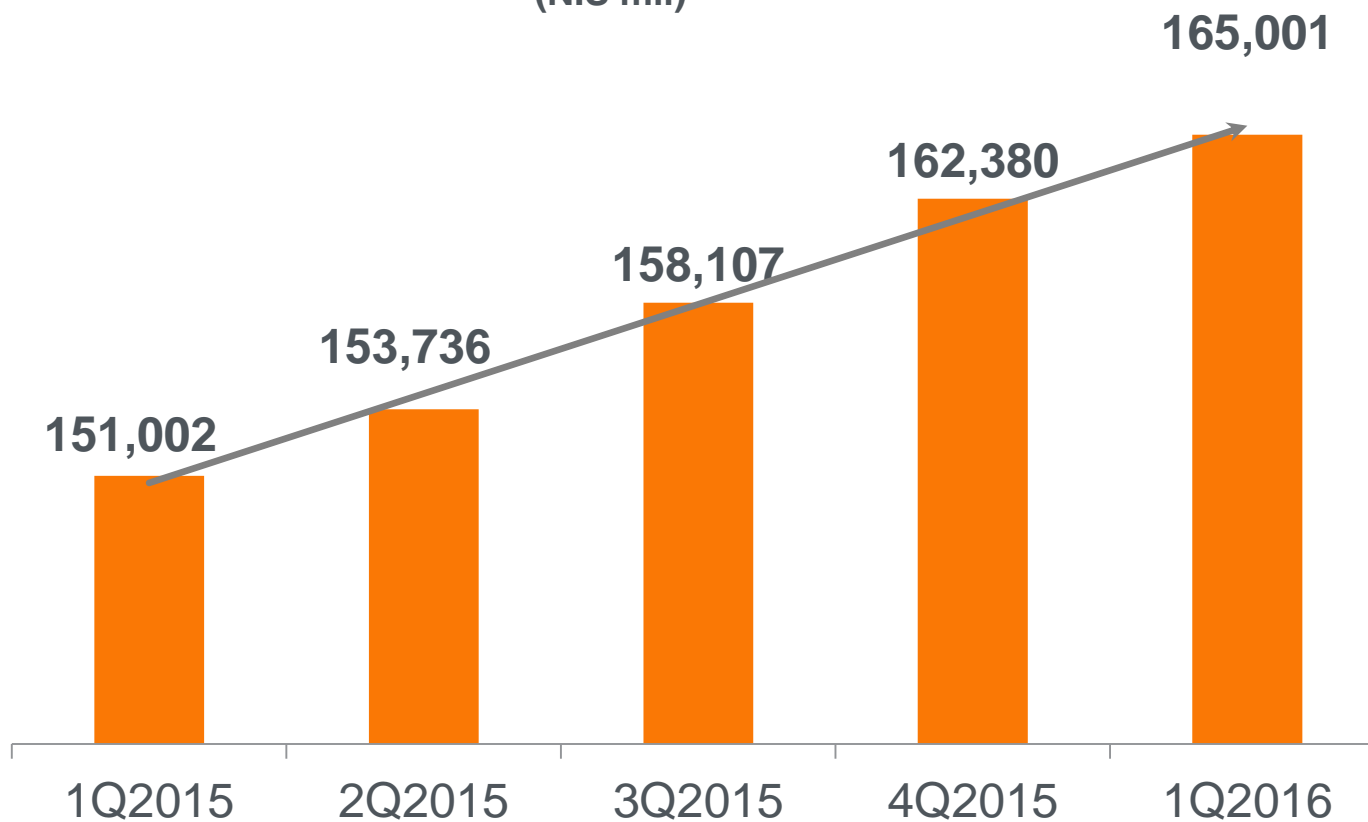
Continuous deposit growth





Continuous deposit growth

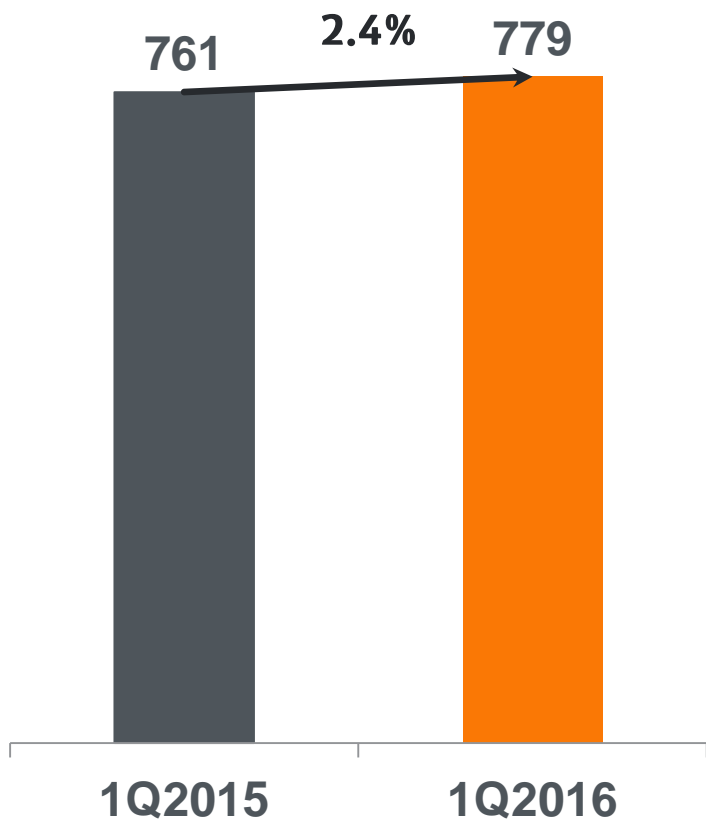
Deposits from the public
(NIS mil)



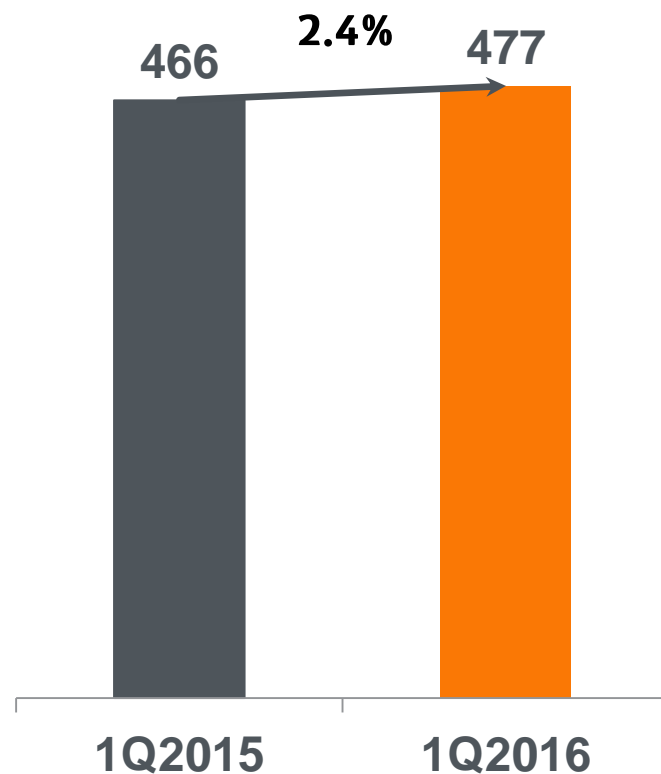


Tight control of expenses

Operating and other expenses



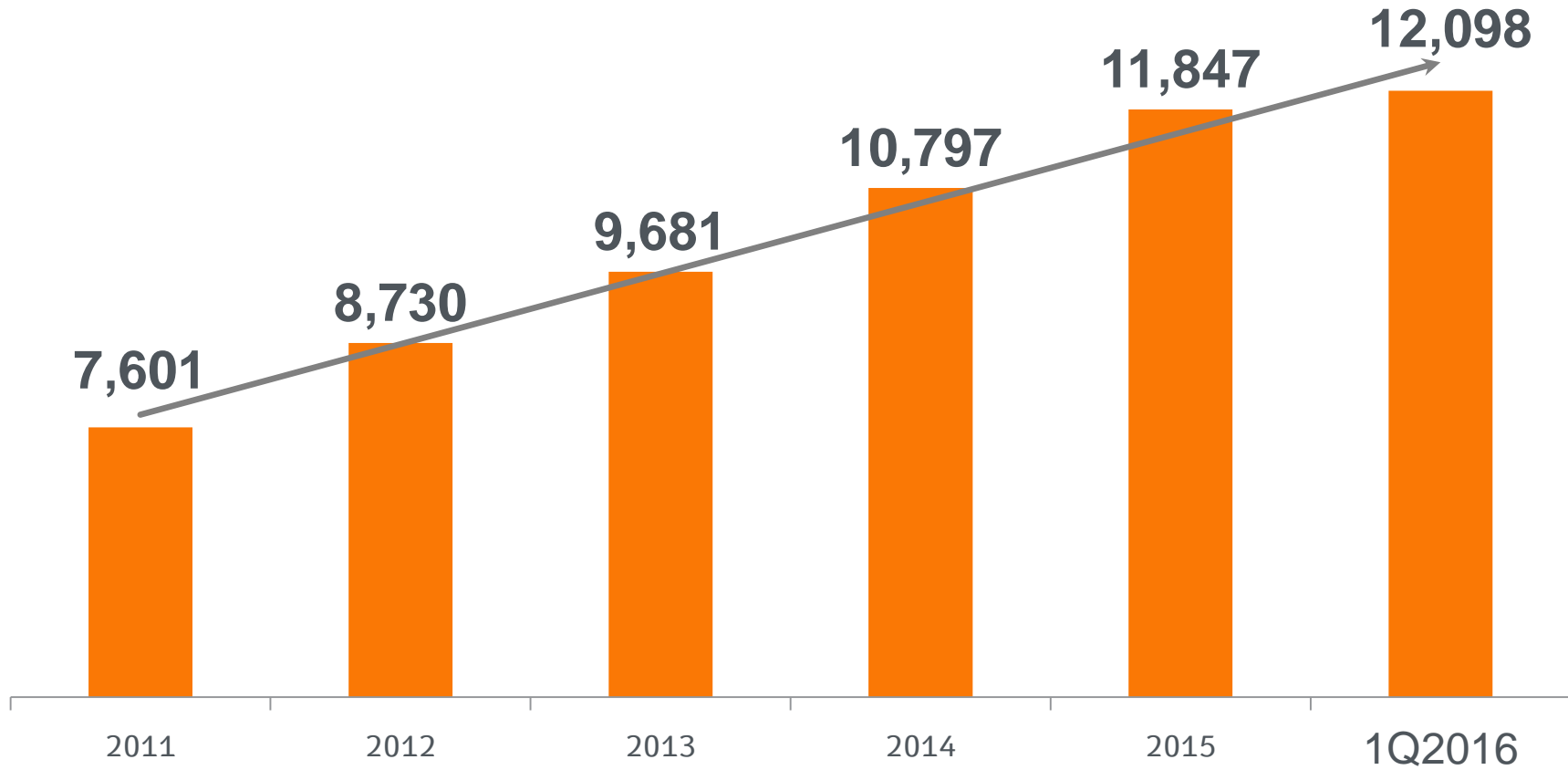
Salaries





Increasing equity base

Equity
(NIS mil)

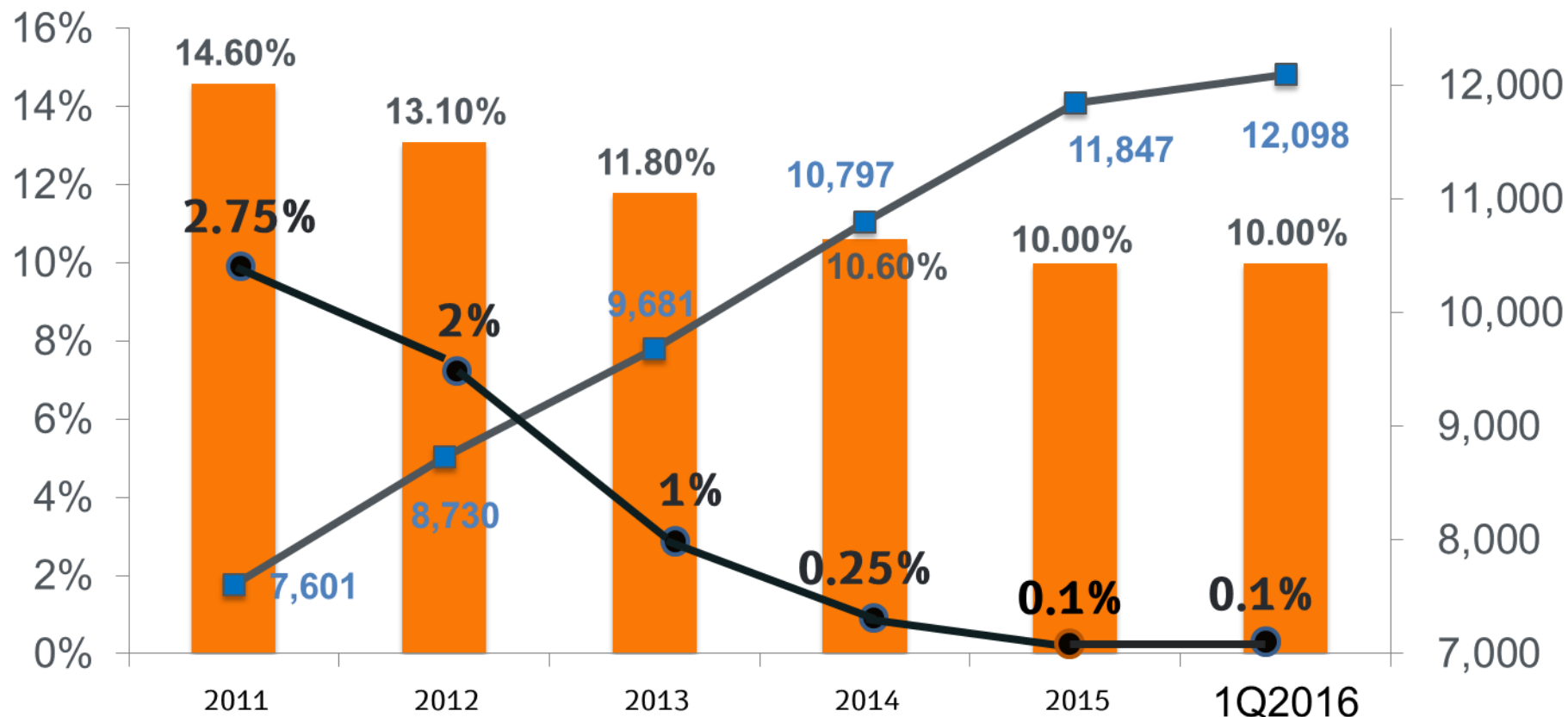




Double digit ROE despite dramatic increase in Equity and extremely low interest rate

ROE(%)

Equity (NIS mil)

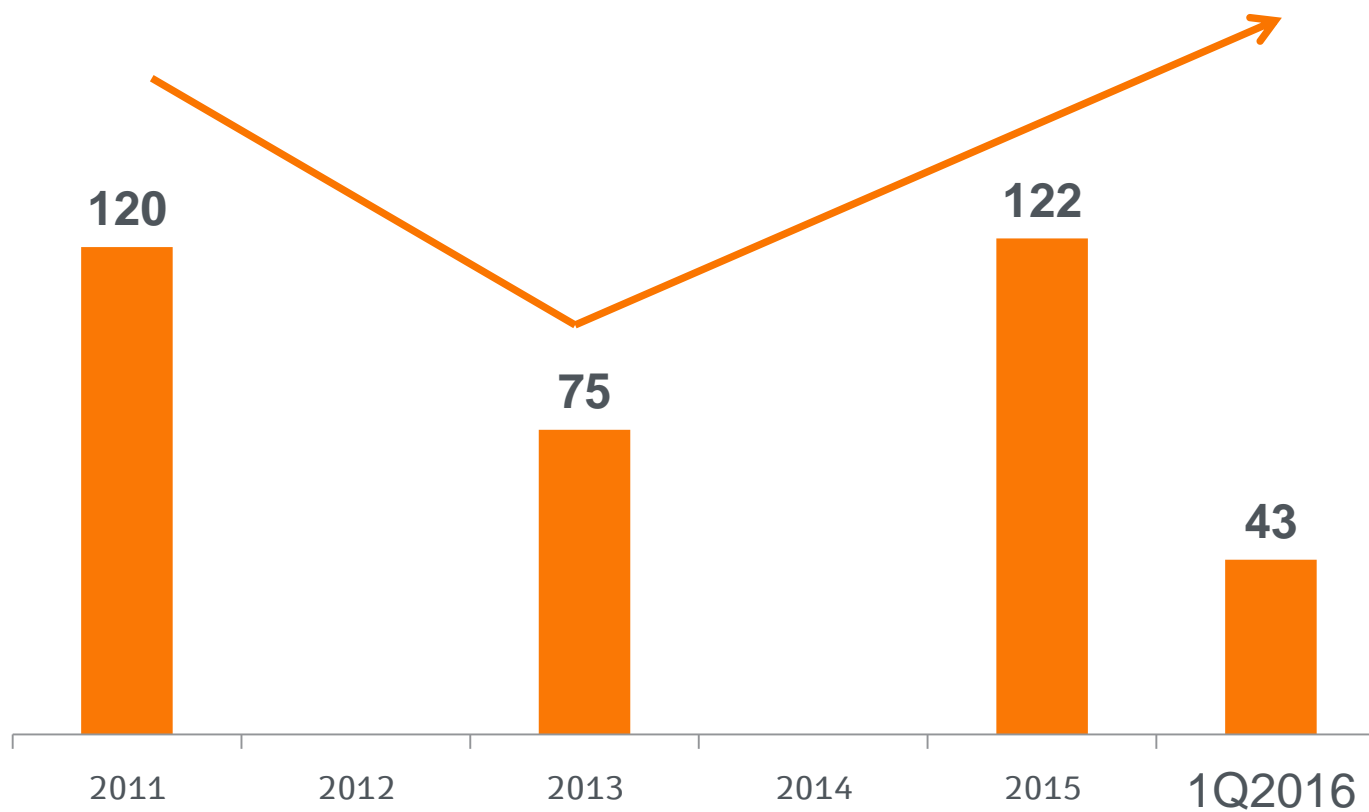


In black – Bank of Israel interest rate at the end of a calendar year



Dividend distribution

Dividend distributed (NIS mil)





Progress in line with the strategic plan

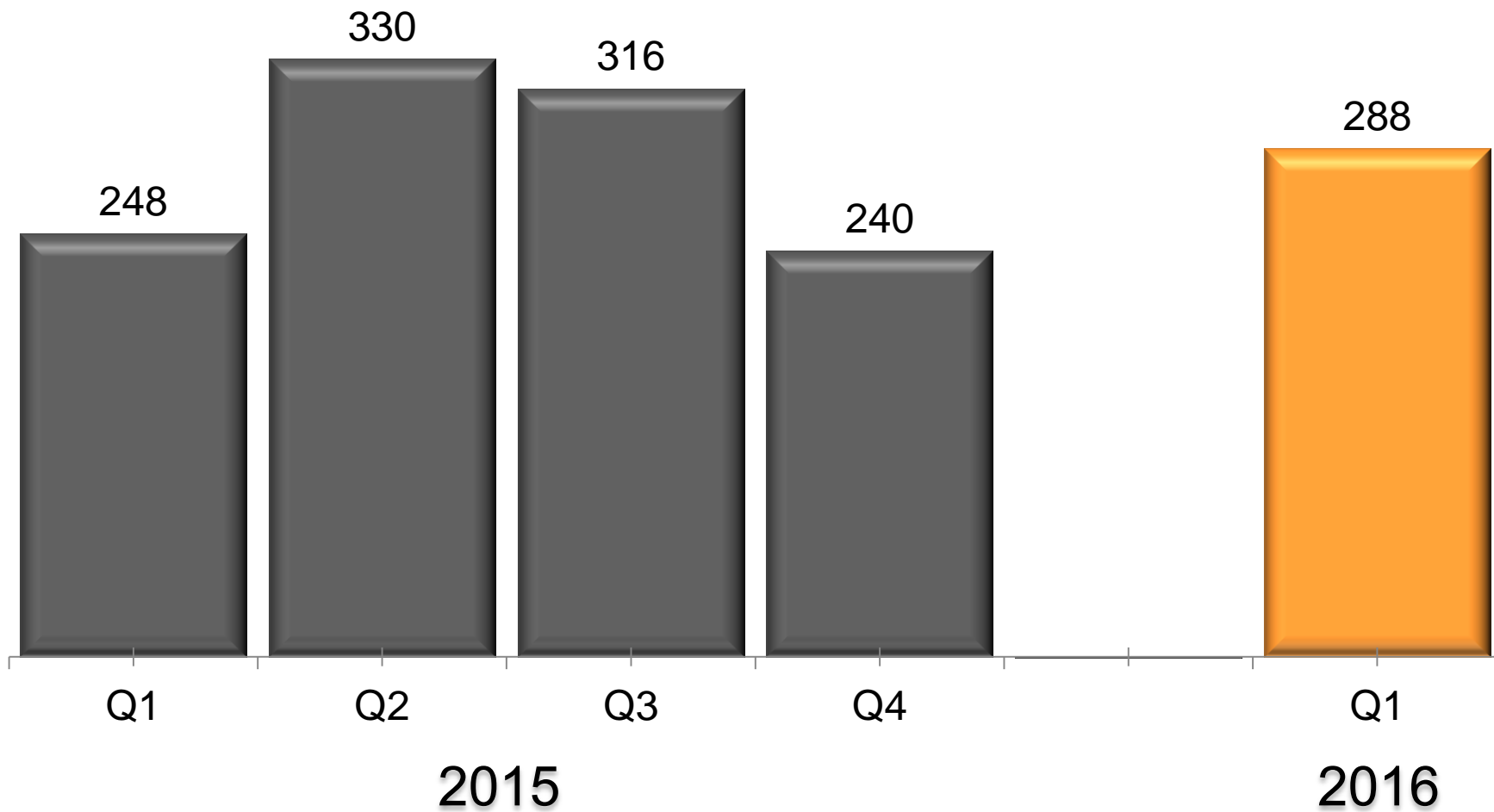
Market Shares	31.12.2015	31.12. 2017 Updated plan
Loans to the Public	17.7%	19.0%
Balance Sheet Debt in Israel	19.0%	20.0%
Deposits from the Public	15.1%	17.5%
Mortgages (New Initiations)	40.3% *	+35%



Financial results

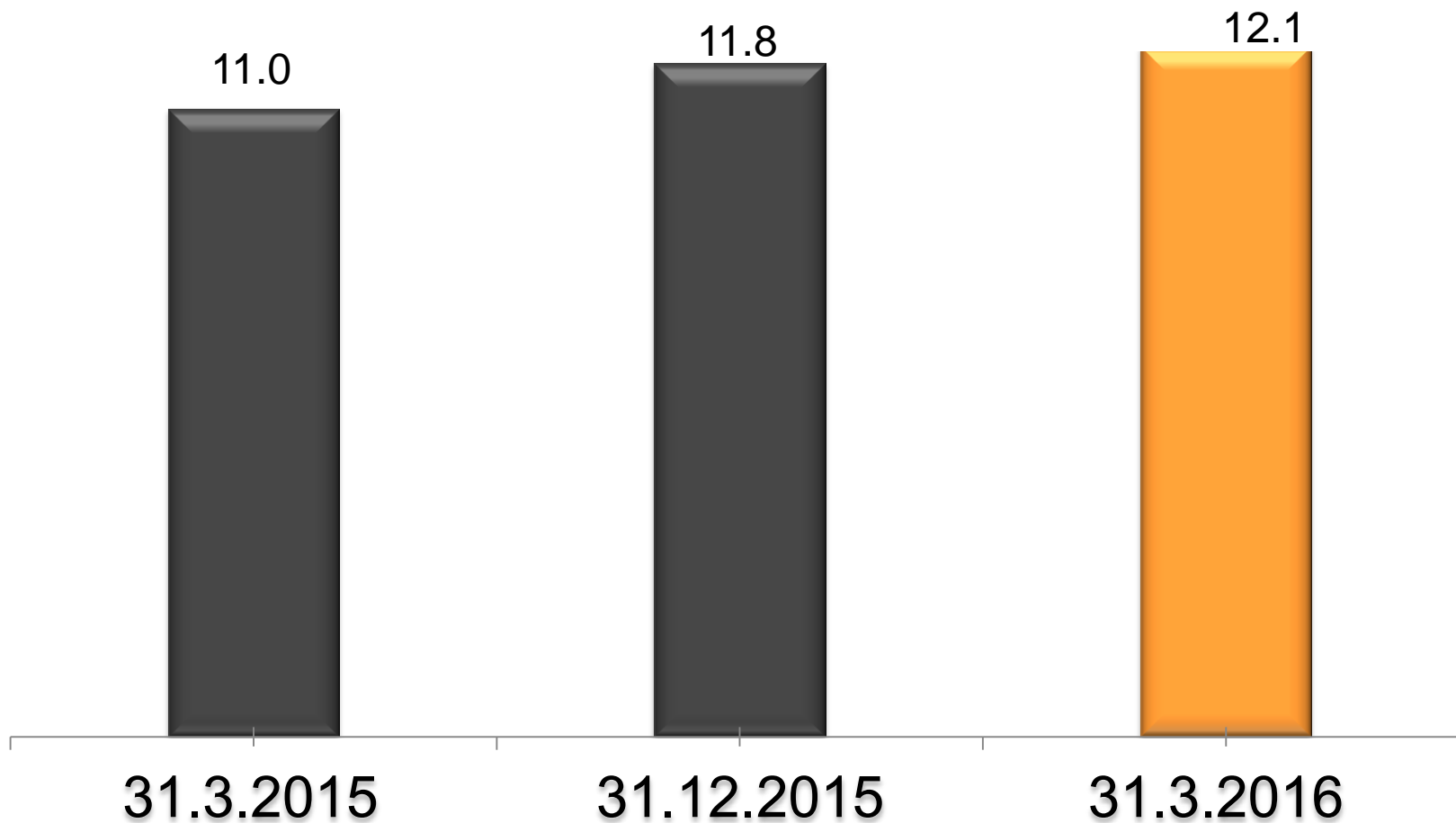


Net profit (NIS mil)



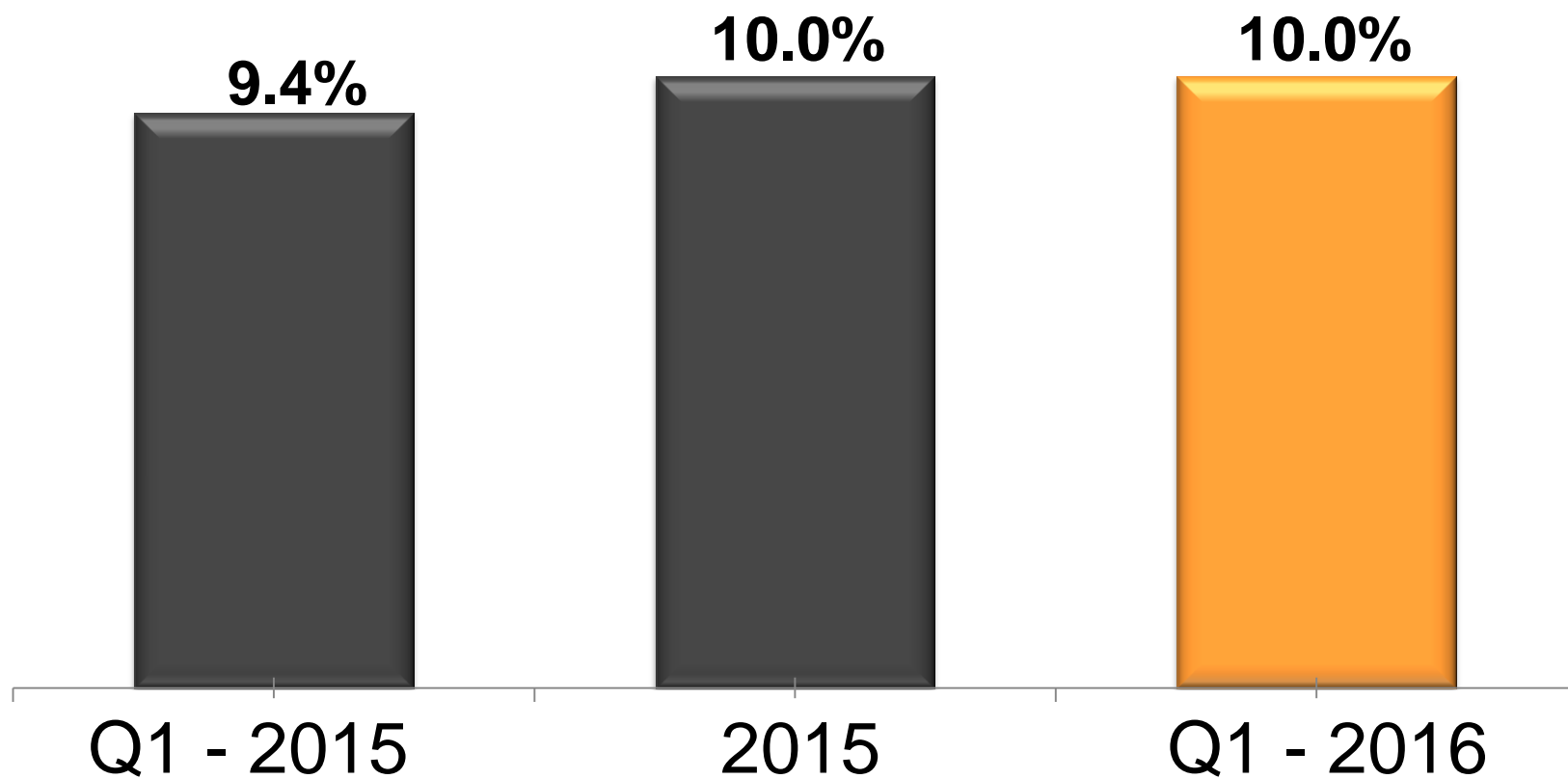


Equity (NIS bil)





Net profit - ROE (NIS mil)



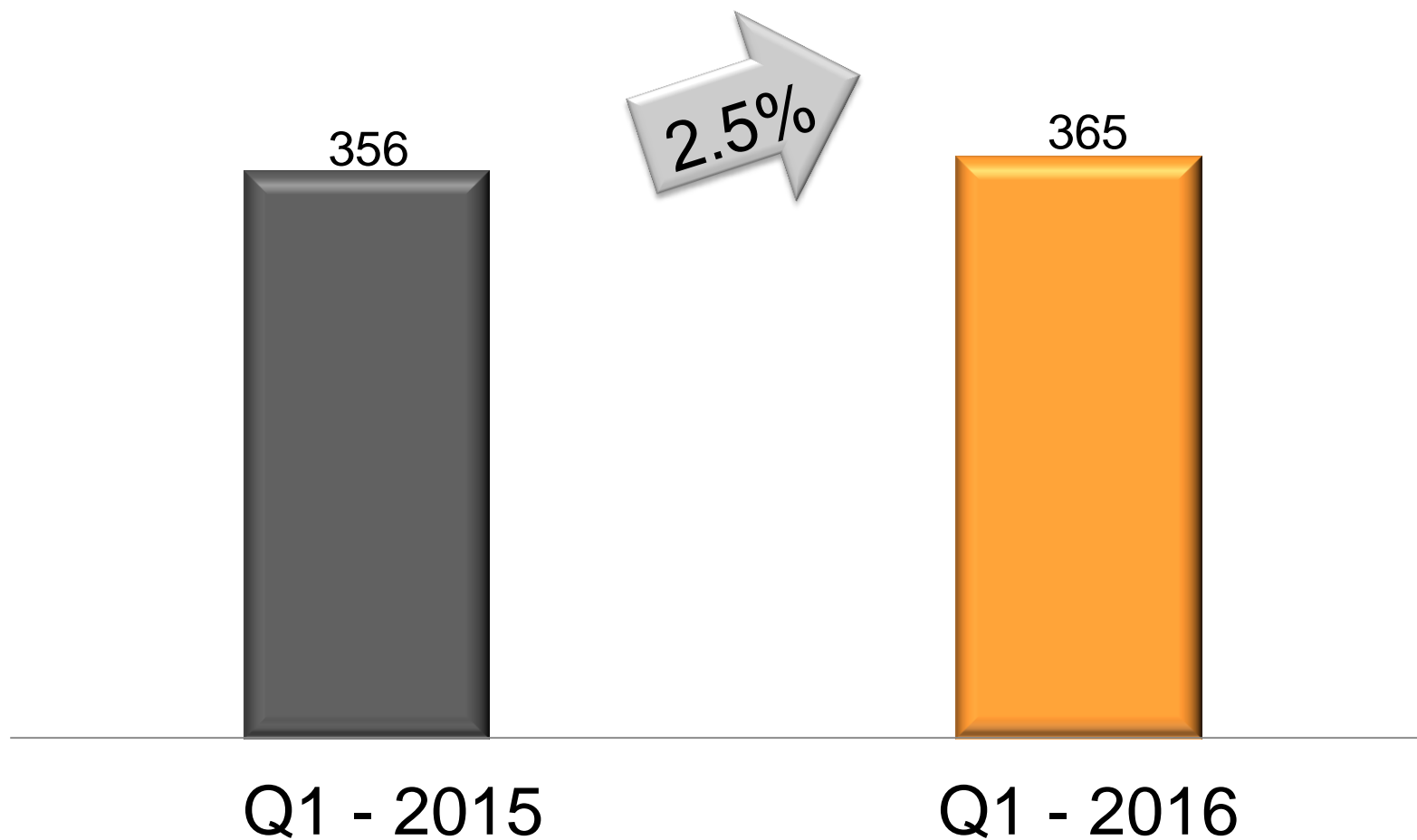


Financing Revenues (NIS mil)

	Q1-2016	Q1-2015	Rate of change
Interest revenues, net	760	699	
Non-interest financing revenues	67	125	
Total financing revenues	627	824	0.4
Less:			
Linkage differentials with respect to CPI position	(116)	(165)	
Revenues from collection of interest on troubled debt	10	9	
Gain from debentures	31	97	
Effect of accounting treatment of derivatives at fair value and others	(20)	37	
Total effects other than current operations	95	(22)	
Total financing revenues from current operations	922	846	9.0
Bank of Israel interest at the end of the period	0.10%	0.10%	

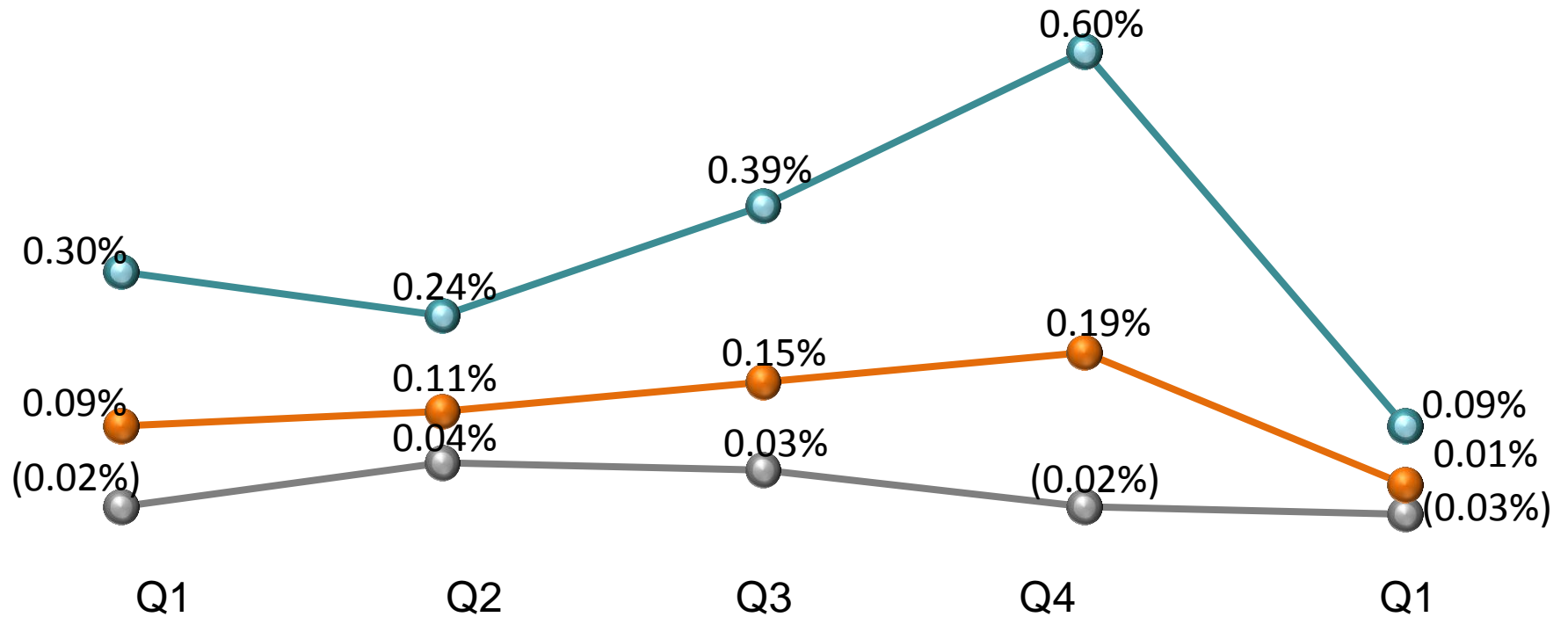


Operating commissions (NIS mil)





Provisions / loans to the public



2015

2016

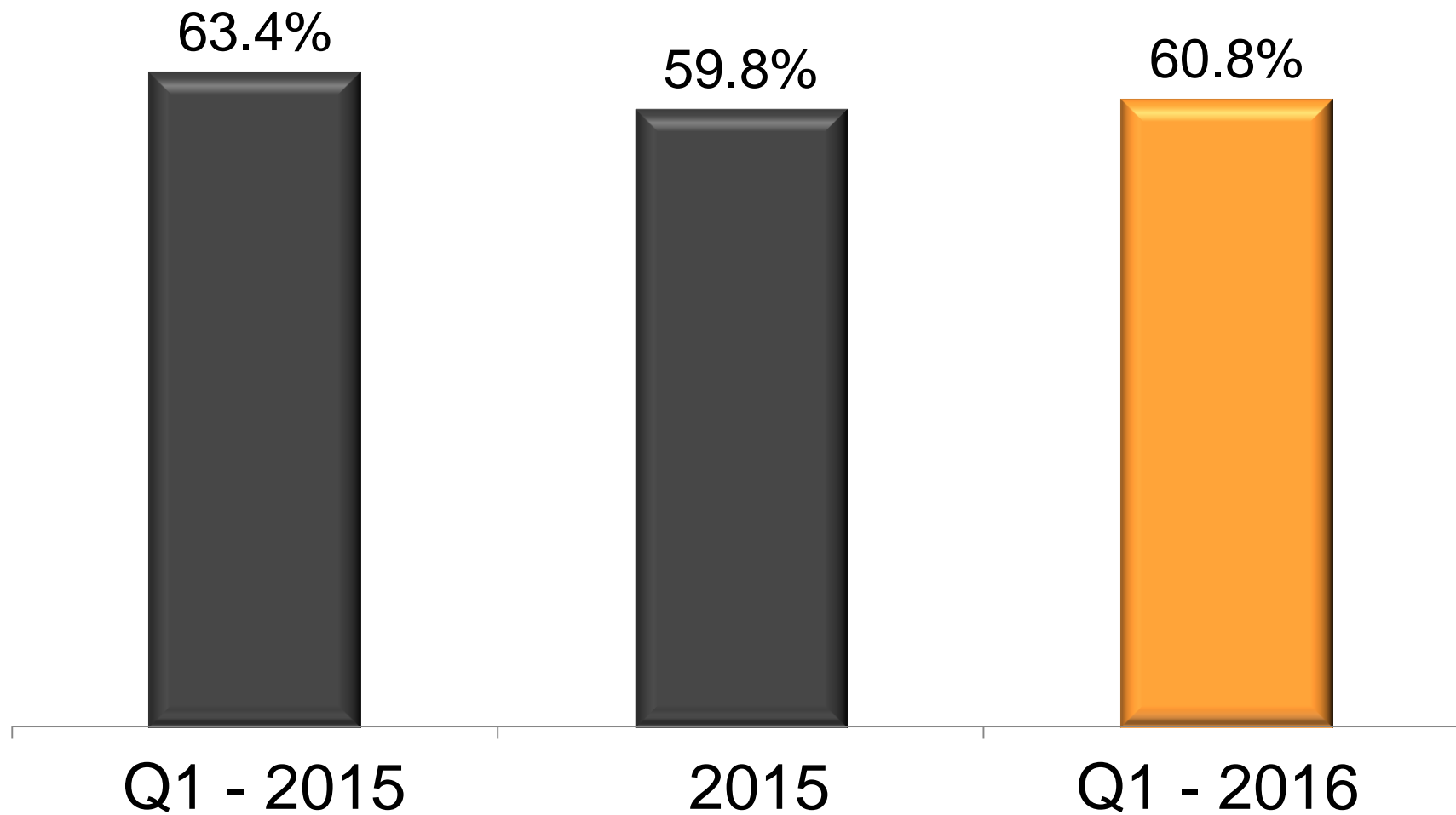
Total

Excluding housing loans

For housing loans



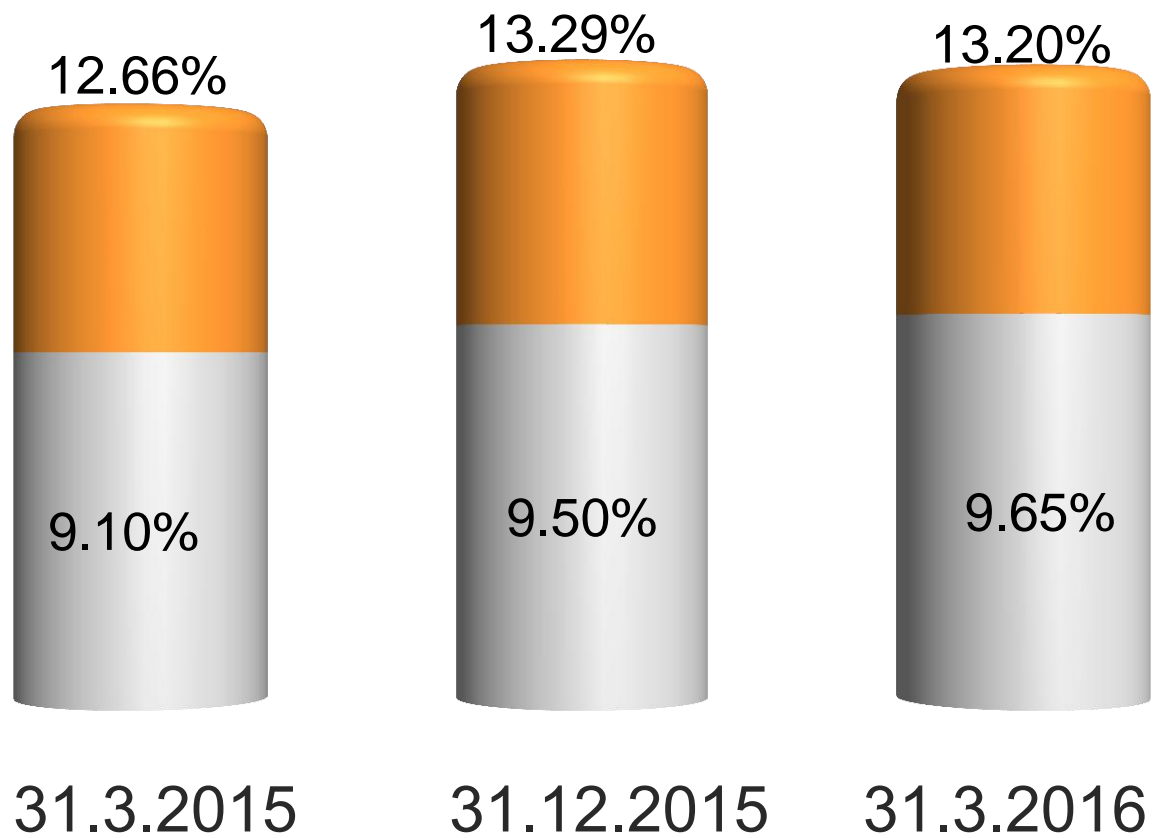
Cost / income ratio





Capital adequacy

Tier I





Dividend (NIS mil)

Year	Amount
2015	122.1
2016 (Q1)	43.2
Total	165.3