

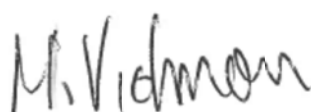
Statement of Profit and Loss - Consolidated and the Bank For the year ended December 31,

Reported amounts (NIS in millions)

	Consolidated			The Bank		
	2015	2014	2013	2015	2014	2013
interest revenues	4,906	5,347	6,442	4,555	4,962	6,049
Interest expenses	1,372	1,972	2,978	1,487	2,022	3,046
Interest revenues, net	3,534	3,375	3,464	3,068	2,940	3,003
Expenses with respect to credit losses	211	173	288	200	150	283
Interest revenues, net after expenses with respect to credit losses	323,3	3,202	3,176	2,868	2,790	2,720
Non-interest revenues						
Non-interest financing revenues	358	173	14	290	157	26
Commissions	1,426	1,395	1,458	1,175	1,144	1,202
Other revenues	74	44	27	62	33	19
Total non-interest revenues	1,858	1,612	499,1	1,527	1,334	1,247
Operating and other expenses						
Payroll and associated expenses	1,944	⁽¹⁾ 1,866	⁽¹⁾ 1,823	1,697	⁽¹⁾ 1,626	⁽¹⁾ 1,565
Maintenance and depreciation of buildings and equipment	692	⁽¹⁾ 715	⁽¹⁾ 690	602	⁽¹⁾ 626	⁽¹⁾ 595
Other expenses	590	458	438	455	338	326
Total operating and other expenses	3,226	3,039	2,951	2,754	2,590	2,486
Pre-tax profit	1,955	1,775	1,724	1,641	1,534	1,481
Provision for taxes on profit	761	⁽¹⁾ 657	⁽¹⁾ 593	656	⁽¹⁾ 586	⁽¹⁾ 516
After-tax profit	1,194	1,118	1,131	985	948	965
Share in profits (losses) of investees (on consolidated - associates), after tax effect	-	5	(4)	149	144	118
Net profit:						
Before attribution to non-controlling interest	1,194	1,123	1,127	1,134	1,092	1,083
Attributable to non-controlling interest	(60)	(31)	(44)	-	-	-
Attributable to shareholders of the Bank	1,134	1,092	1,083	1,134	1,092	1,083

(1) Restated.

The accompanying notes are an integral part of the financial statements.


Moshe Vidman
Chairman of the Board
of Directors


Eldad Fresher
President & CEO


Menahem Aviv
Vice-president,
Chief Accountant

Approval date:

Ramat Gan, February 24, 2016

Statement of Profit and Loss - Consolidated and the Bank - continued For the year ended December 31,

Reported amounts

	2015	⁽²⁾ 2014	⁽²⁾ 2013
Earnings per share⁽¹⁾			
Basic earnings per share (in NIS)			
Net profit attributable to shareholders of the Bank	4.90	4.74	4.74
Diluted earnings per share (in NIS)			
Net profit attributable to shareholders of the Bank	4.89	4.71	4.71

(1) Share of NIS 0.1 par value.

(2) Restated.

The accompanying notes are an integral part of the financial statements.

Consolidated statement of comprehensive income

For the year ended December 31,

Reported amounts (NIS in millions)

	2015	⁽¹⁾ 2014	⁽¹⁾ 2013
Net profit:			
Before attribution to non-controlling interest	1,194	1,123	1,127
Attributable to non-controlling interest	(60)	(31)	(44)
Net profit attributable to shareholders of the Bank	1,134	1,092	1,083
Other comprehensive income (loss) before taxes			
Adjustments for presentation of available-for-sale securities at fair value, net	(27)	(10)	22
Adjustments from translation of financial statements of investments in associates ⁽²⁾	(1)	6	(3)
Net gain (loss) with respect to cash flows hedging	(6)	23	-
Adjustment of liabilities with respect to employee benefits ⁽³⁾	(3)	(46)	(19)
Total other comprehensive income (loss), before tax	(37)	(27)	-
Related tax effect	13	10	(3)
Other comprehensive income (loss) after taxes			
Other comprehensive income (loss), before attribution to non-controlling interest	(24)	(17)	(3)
Less other comprehensive income (loss) attributable to non-controlling interest	(1)	2	2
Other comprehensive income (loss) attributable to equity holders of the Bank, after taxes	(25)	(15)	(1)
Comprehensive income:			
Before attribution to non-controlling interest	1,170	1,106	1,124
Attributable to non-controlling interest	(61)	(29)	(42)
Comprehensive income attributable to shareholders of the Bank	1,109	1,077	1,082

(1) Restated.

(2) Adjustments from translation of financial statements of associates.

(3) Includes adjustments with respect to actuarial estimates included in the reported period for defined-benefit pension plans and current amortization of adjustments with respect to liabilities to profit and loss.

The accompanying notes are an integral part of the financial statements.

Balance sheet – consolidated and the Bank – as of December 31

Reported amounts (NIS in millions)

	Consolidated		The Bank	
	2015	2014	2015	2014
Assets				
Cash and deposits with banks	30,489	26,798	24,265	22,425
Securities ⁽¹⁾	11,845	14,259	11,804	12,053
Securities loaned or purchased in resale agreements	71	107	71	107
Loans to the public	160,604	148,912	152,326	141,265
Provision for credit losses	(1,400)	(1,343)	(1,348)	(1,293)
Loans to the public, net	159,204	147,569	150,978	139,972
Loans to Governments	316	307	316	307
Investments in investees (for consolidated - associates)	36	52	2,659	⁽³⁾ 2,511
Buildings and equipment	1,583	⁽³⁾ 1,570	1,344	⁽³⁾ 1,384
Intangible assets and goodwill	87	87	-	-
Assets with respect to derivative instruments	3,527	5,602	3,526	5,600
Other assets	2,000	⁽³⁾ 2,162	1,800	⁽³⁾ 1,964
Total assets	209,158	198,513	196,763	186,323
Liabilities and Equity				
Deposits from the public	162,380	152,379	164,208	151,834
Deposits from banks	1,166	1,258	9,602	8,333
Deposits from the Government	58	55	38	46
Securities loaned or sold in conjunction with repurchase agreements	-	223	-	223
Debentures and subordinated notes	23,719	20,580	3,127	3,777
Liabilities with respect to derivative instruments	3,634	6,497	3,631	6,496
Other liabilities ⁽²⁾	5,786	⁽³⁾ 6,217	4,310	⁽³⁾ 4,817
Total liabilities	196,743	187,209	184,916	175,526
Shareholders' equity attributable to shareholders of the Bank	11,847	⁽³⁾ 10,797	11,847	⁽³⁾ 10,797
Non-controlling interest	568	⁽³⁾ 507	-	-
Total equity	12,415	11,304	11,847	10,797
Total liabilities and equity	209,158	198,513	196,763	323,186

(1) Of which: NIS 8,429 million at fair value on consolidated basis (December 31, 2014 - NIS 8,896 million) and for the Bank - NIS 8,388 million (December 31, 2014 - NIS 8,541 million).

(2) Of which: provision for credit losses with respect to off-balance sheet credit instruments, consolidated - NIS 106 million (on December 31, 2014 - NIS 102 million) and at the Bank - NIS 105 million (on December 31, 2014 - NIS 101 million).

(3) Restated.

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Shareholders' Equity

For the year ended December 31,

Reported amounts (NIS in millions)

	Share capital and premium ⁽¹⁾	Capital reserve from benefit from share-based payment transactions	Treasury shares	Total paid-up share capital and capital reserves
Balance as of January 1, 2013	2,058	139	(76)	2,121
Cumulative effect, net of tax, of retroactive application of US accounting rules with regard to employee rights ⁽³⁾	-	-	-	-
Balance as of January 1, 2013 after initial application of new rules⁽³⁾	2,058	139	(76)	2,121
Net profit for the period ⁽³⁾	-	-	-	-
Dividends paid ⁽⁴⁾	-	-	-	-
Benefit from share-based payment transactions	-	14	-	14
Related tax effect	-	13	-	13
Realization of share-based payment transactions ⁽²⁾	50	(50)	-	-
Other comprehensive income (loss), net, after tax ⁽³⁾	-	-	-	-
Balance as of December 31, 2013⁽³⁾	2,108	116	(76)	2,148
Net profit for the period ⁽³⁾	-	-	-	-
Benefit from share-based payment transactions	-	40	-	40
Related tax effect	-	(1)	-	(1)
Realization of share-based payment transactions ⁽²⁾	89	(89)	-	-
Other comprehensive income (loss), net, after tax ⁽³⁾	-	-	-	-
Balance as of December 31, 2014⁽³⁾	2,197	66	(76)	2,187
Net profit for the period	-	-	-	-
Dividends paid ⁽⁴⁾	-	-	-	-
Benefit from share-based payment transactions	-	20	-	20
Related tax effect	-	7	-	7
Realization of share-based payment transactions ⁽²⁾	25	(25)	-	-
Other comprehensive income (loss), net, after tax	-	-	-	-
Balance as of December 31, 2015	2,222	68	(76)	2,214

(1) Share premium generated prior to March 31, 1986.

(2) In 2015, the Bank issued 1,086,264 ordinary shares of NIS 0.1 par value each, for exercise of options pursuant to the Employee Stock Option Plan, and issued to the President 74,647 ordinary shares of NIS 0.1 par value each.

In 2014, the Bank issued 1,240,933 ordinary shares of NIS 0.1 par value each, for exercise of options in conjunction with the Employee Stock Option Plan.

In 2013, the Bank issued 2,378,980 ordinary shares of NIS 0.1 par value each, for exercise of options in conjunction with the Employee Stock Option Plan.

(3) Restated.

(4) On June 14, 2015 and September 17, 2015, the Bank paid dividends amounting to NIS 36.6 million and NIS 49.5 million, respectively, in conformity with a decision by the Bank Board of Directors. On February 24, 2016, the Bank Board of Directors resolved to distribute dividends amounting to NIS 36 million with respect to earnings in the fourth quarter of 2015.

The accompanying notes are an integral part of the financial statements.

Cumulative other comprehensive income (loss)	Retained earnings	Total shareholder equity	Non-controlling interest	Total equity
-	6,609	8,730	441	9,171
(56)	(27)	(83)	(5)	(88)
(56)	6,582	8,647	436	9,083
-	1,083	1,083	44	1,127
-	(75)	(75)	-	(75)
-	-	14	-	14
-	-	13	-	13
-	-	-	-	-
(1)	-	(1)	(2)	(3)
(57)	7,590	9,681	478	10,159
-	1,092	1,092	31	1,123
-	-	40	-	40
-	-	(1)	-	(1)
-	-	-	-	-
(15)	-	(15)	(2)	(17)
(72)	8,682	10,797	507	11,304
-	1,134	1,134	60	1,194
-	(86)	(86)	-	(86)
-	-	20	-	20
-	-	7	-	7
-	-	-	-	-
(25)	-	(25)	1	(24)
(97)	9,730	11,847	568	12,415