



## Net profit of NIS 459 million (\$122 million) for Leumi in the first quarter of 2016

- > Net profit of NIS 459 million (\$122 million) in the first quarter of 2016, compared with a profit of NIS 1,182 million (\$314 million) in the corresponding period last year, which then included one-time profits resulting from the sale of Israel Corp. shares (net profit of NIS 532 million or \$141 million) and Mobileye shares (net profit of NIS 212 million or \$56 million).
- > Following a change in the corporate tax rate as of January 2016, first quarter 2016 results include a net expense of NIS 122 million (\$32 million).
- > Credit loss income in the first quarter of 2016 amounted to NIS 123 million (\$33 million), reflecting 0.19% of the bank's credit portfolio. This is compared with credit loss expenses amounting to NIS 81 million (\$22 million) in the corresponding period last year, which then reflected 0.13% of the bank's credit portfolio.
- > Net return on equity in the first quarter of 2016 (on an annual basis) reached 6.6%.
- > The core capital ratio (Tier I) reached 9.96%, compared with a ratio of 9.58% as of 31.12.15.
- > The capital adequacy ratio reached 14.28%, compared with a ratio of 13.74% as of 31.12.15.

### **In accordance with the Bank's strategy:**

- > A decrease of NIS 245 million (\$65 million) in operating expenses, compared with the corresponding period last year (a decrease of 11%).
- > Credit to households and small businesses increased by NIS 1,274 million (\$338 million) compared with 31.12.15 (an increase of 1%), and by NIS 8,851 million (\$2,350 million) compared with the corresponding period last year (an increase of 7%).
- > Credit to middle-market companies increased by NIS 477 million (\$127 million) compared with 31.12.15 (an increase of 1.4%), and by NIS 3,399 million (\$903 million) compared with the corresponding period last year (an increase of 11%).
- > Leumi continues to lead the digital banking field in Israel through development and implementation of innovative products for the benefit of customers.
- > During 2016, the Bank will launch its full digital banking platform, a first of its kind in Israel, allowing customers to manage their banking operations entirely through their mobile phone.



## Leumi presents an improvement in balance sheet parameters compared with the corresponding period last year:

- > **The Group's equity** as of March 31, 2016 amounted to NIS 29.3 billion (\$7.8 billion), compared with NIS 26.6 billion (\$7.1 billion) as of March 31, 2015 (an increase of 10.1%), and NIS 28.8 billion (\$7.6 billion) as of December 31, 2015 (an increase of 1.9%).
- > **Total assets** of the Group as of March 31, 2016 amounted to NIS 425.6 billion (\$113.0 billion), compared with NIS 399.3 billion (\$106.0 billion) as of March 31, 2015 (an increase of 6.6%), and NIS 416.5 billion (\$110.6 billion) as of December 31, 2015 (an increase of 2.2%).
- > **Net Credit to the public** as of March 31, 2016 amounted to NIS 264.1 billion (\$70.1 billion), compared with NIS 250.3 billion (\$66.5 billion) as of March 31, 2015 (an increase of 5.5%), and NIS 261.4 billion (\$69.4 billion) as of December 31, 2015 (an increase of 1.0%).
- > **Deposits of the public** as of March 31, 2016 amounted to NIS 330.4 billion (\$87.7 billion), compared with NIS 305.0 billion (\$81.0 billion) as of March 31, 2015 (an increase of 8.3%), and NIS 328.7 billion (\$87.3 billion) as of December 31, 2015 (an increase of 0.5%).



## Leumi Group - Principal Data from the Financial Statements

### Profit and Profitability (in NIS millions)

	For the three months ended March 31			For the year ended December 31
	2016	2015	Change in %	2015
Net interest income	1,655	1,516	9.2	7,118
Credit loss expenses (income)	(123)	81	-	199
Net interest income after credit loss expenses	1,778	1,435	23.9	6,919
Non-interest income	1,032	2,425	(57.4)	6,297
Operating and other expenses	1,990	2,235	(11.0)	8,836
Net profit attributed to shareholders of the bank	459	1,182	(61.2)	2,835
Return on equity (%)	6.6	19.3		10.3

### Development of Balance Sheet Items (in NIS millions)

	March 31			December 31	
	2016	2015	Change in %	2015	Change in %
Credit to the public	267,705	254,223	5.3	265,070	1.0
Total assets	425,557	399,319	6.6	416,499	2.2
Deposits of the public	330,354	305,017	8.3	328,693	0.5
Shareholders' equity	29,313	26,612	10.1	28,767	1.9
Assets under management of the Group	786,280	835,159	(5.9)	797,061	(1.4)

### Principal Financial Ratios (%)

	March 31		December 31
	2016	2015	2015
Net credit to the public to total assets	62.1	62.7	62.8
Deposits of the public to total assets	77.6	76.4	78.9
Deposits of the public to net credit to the public	125.1	121.9	125.7
Total equity to risk assets	14.28	13.68	13.74
Total Tier 1 equity to risk assets	9.96	9.20	9.58
Leverage ratio	6.35	-	6.27
Liquidity coverage ratio	125.00	-	105.00
Expenses in respect of credit losses out of net credit to the public	(0.19)	0.13	0.08
Of which: expenses in respect of collective allowance	0.23	0.25	0.17
Interest margin	1.67	1.74	1.84
Total operating and other expenses (excluding early retirement expenses) to total income	74.1	56.7	65.8

The data in this press release has been converted into US dollars solely for convenience, at the representative rate of exchange published by the Bank of Israel prevailing on March 31, 2016, NIS 3.766.