

# Bank Leumi le-Israel B.M. and its Consolidated Companies

## Condensed Consolidated Balance Sheet As at 31 March 2017 (NIS millions)

	31 March		31 December
	2017	2016	2016
<b>ASSETS</b>			
Cash and deposits with banks	68,275	55,648	74,757
Securities	77,959	78,727	77,201
Securities borrowed or purchased under agreements to resell	903	1,621	1,284
Credit to the public	268,172	<sup>(b)</sup> 267,672	265,450
Allowance for credit losses	(3,465)	<sup>(b)</sup> (3,539)	(3,537)
Credit to the public, net	264,707	264,133	261,913
Credit to governments	620	412	642
Investments in companies included on equity basis	878	899	901
Buildings and equipment	3,016	3,060	3,147
Intangible assets and goodwill	17	17	17
Assets in respect of derivative instruments	11,032	13,150	10,654
Other assets	7,891	7,890	8,087
<b>Total assets</b>	<b>435,298</b>	<b>425,557</b>	<b>438,603</b>
<b>LIABILITIES AND EQUITY</b>			
Deposits of the public	341,663	330,354	346,854
Deposits from banks	4,493	4,441	3,394
Deposits from governments	770	808	900
Securities lent or sold under agreements to repurchase	481	845	539
Debentures, bonds and subordinated notes	22,689	24,810	22,640
Liabilities in respect of derivative instruments	11,272	13,996	10,677
Other liabilities (a)	21,309	20,650	21,885
<b>Total liabilities</b>	<b>402,677</b>	<b>395,904</b>	<b>406,889</b>
Non-controlling interests	366	340	367
Equity attributable to shareholders of the banking corporation	32,255	29,313	31,347
<b>Total equity</b>	<b>32,621</b>	<b>29,653</b>	<b>31,714</b>
<b>Total liabilities and equity</b>	<b>435,298</b>	<b>425,557</b>	<b>438,603</b>

- (a) Of which: allowance for credit losses in off-balance sheet credit instruments, NIS 514 million (31 March 2016 - NIS 471 million, 31 December 2016 - NIS 488 million).  
(b) Reclassified.

## Condensed Statement of Changes in Equity For the period ended 31 March 2017 (NIS millions)

	For the three months ended 31 March 2017								
	Share capital	Premium	Capital reserves Share-based payment transaction and others (a)	Total share capital and capital reserves	Accumulated other comprehensive profit (loss)	Retained earnings	Total	Non-controlling interests	Total capital
Balance as at 31 December 2016	7,109	1,722	36	8,867	(2,312)	24,792	31,347	367	31,714
Net profit for the period	-	-	-	-	-	622	622	9	631
Other comprehensive profit net after the effect of tax	-	-	-	-	286	-	286	-	286
Dividend paid by consolidated companies	-	-	-	-	-	-	-	(10)	(10)
<b>Balance as at 31 March 2017</b>	<b>7,109</b>	<b>1,722</b>	<b>36</b>	<b>8,867</b>	<b>(2,026)</b>	<b>25,414</b>	<b>32,255</b>	<b>366</b>	<b>32,621</b>
<b>For the three months ended 31 March 2016</b>									
Balance as at 31 December 2015	7,059	1,129	43	8,231	(1,448)	21,984	28,767	340	29,107
Net profit for the period	-	-	-	-	-	459	459	9	468
Issuance of shares	49	587	-	636	-	-	636	-	636
Other comprehensive loss, net after the effect of tax	-	-	-	-	(549)	-	(549)	-	(549)
Dividend paid by consolidated companies	-	-	-	-	-	-	-	(9)	(9)
<b>Balance as at 31 March 2016</b>	<b>7,108</b>	<b>1,716</b>	<b>43</b>	<b>8,867</b>	<b>(1,997)</b>	<b>22,443</b>	<b>29,313</b>	<b>340</b>	<b>29,653</b>
<b>For the year ended 31 December 2016</b>									
Balance as at 31 December 2015	7,059	1,129	43	8,231	(1,448)	21,984	28,767	340	29,107
Net profit for the period	-	-	-	-	-	2,791	2,791	37	2,828
Adjustments in respect of companies included on equity basis net	-	-	-	-	-	17	17	-	17
Other comprehensive loss net after the effect of tax	-	-	-	-	(864)	-	(864)	-	(864)
Issuance of shares	50	593	(7)	636	-	-	636	-	636
Dividend paid by consolidated companies	-	-	-	-	-	-	-	(10)	(10)
<b>Balance as at 31 December 2016</b>	<b>7,109</b>	<b>1,722</b>	<b>36</b>	<b>8,867</b>	<b>(2,312)</b>	<b>24,792</b>	<b>31,347</b>	<b>367</b>	<b>31,714</b>

- (a) Including NIS 10 million of other capital reserves.

## Condensed Consolidated Statement of Profit and Loss For the period ended 31 March 2017 (NIS millions)

	For the three months ended 31 March		For the year ended 31 December
	2017	2016	2016
Interest income	2,319	1,925	9,552
Interest expenses	446	270	2,026
Interest income, net	1,873	1,655	7,526
Expenses (income), in respect of credit losses	101	(123)	(125)
Net interest income after expenses in respect of credit losses	1,772	1,778	7,651
<b>Non-interest income</b>			
Non-interest financing income	255	24	1,282
Commissions	1,018	988	3,967
Other income	14	20	159
<b>Total non-interest income</b>	<b>1,287</b>	<b>1,032</b>	<b>5,408</b>
<b>Operating and other expenses</b>			
Salaries and related expenses	1,291	<sup>(a)</sup> 1,242	5,422
Buildings and equipment maintenance and depreciation	435	<sup>(a)</sup> 394	1,697
Other expenses	324	<sup>(a)</sup> 354	1,461
<b>Total operating and other expenses</b>	<b>2,050</b>	<b>1,990</b>	<b>8,580</b>
Profit before taxes	1,009	820	4,479
Provision for taxes on profit	388	371	1,717
Profit after taxes	621	449	2,762
Share of the banking corporation in profits of companies included on equity basis, after tax	10	19	66
<b>Net profit</b>			
Before attributed to non-controlling interests	631	468	2,828
Attributed to non-controlling interests	(9)	(9)	(37)
Attributed to shareholders of the banking corporation	622	459	2,791
<b>Basic and diluted earnings per share (in NIS)</b>			
Net profit attributed to shareholders of the bank	0.41	0.31	1.85
Diluted net profit attributed to shareholders of the bank	0.41	0.31	1.84

- (a) Reclassified.

## Condensed Consolidated Statement of Comprehensive Income For the period ended 31 March 2017 (NIS millions)

	For the three months ended 31 March		For the year ended 31 December
	2017	2016	2016
Net profit before attribution to non-controlling interests	631	468	2,828
Less net profit attributed to non-controlling interests	9	9	37
<b>Net profit attributed to shareholders of the Bank</b>	<b>622</b>	<b>459</b>	<b>2,791</b>
<b>Other comprehensive income (loss), before taxes:</b>			
Adjustments for showing securities available for sale at fair value, net	20	156	(281)
Adjustments for translation of financial statements, net (a), after the effect of tax and hedges (b)	12	(12)	(11)
Adjustments for liabilities in respect of employee benefits (c)	502	(872)	(928)
Share of the banking corporation in other comprehensive loss of companies included on equity basis	(8)	(9)	(20)
<b>Other comprehensive income (loss), before taxes</b>	<b>526</b>	<b>(737)</b>	<b>(1,240)</b>
Relevant tax effect	(240)	188	376
<b>Other comprehensive income (loss) before attribution to non-controlling interests, after taxes</b>	<b>286</b>	<b>(549)</b>	<b>(864)</b>
Less other comprehensive income before attribution to non-controlling interests	-	-	-
<b>Other comprehensive income (loss) attributed to shareholders of the banking corporation, after taxes</b>	<b>286</b>	<b>(549)</b>	<b>(864)</b>
Other comprehensive income before attribution to non-controlling interests	917	(81)	1,964
Less comprehensive income attributed to non-controlling interests	9	9	37
<b>Comprehensive income (loss) attributed to shareholders of the Bank</b>	<b>908</b>	<b>(90)</b>	<b>1,927</b>

- (a) Adjustments for translation of financial statements of foreign operations whose functional currency is different from the functional currency of the Bank.  
(b) Hedges - profits (losses) net in respect of hedging a net investment in foreign currency.  
(c) Reflects mainly adjustments in respect of actuarial adjustments at year end of defined benefit pension plans and amortization of amounts recorded in the past in other comprehensive income.



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Head of Accounting Division

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