



**Statement for 2015 - on consolidated basis**  
**Poalei Agudat Israel Bank Ltd., Main data, NIS million**  
**Taken from the annual report to 31.12.15, reported amounts**

| <b>Summary consolidated balance sheet</b>                            | <b>End of year</b> |              |              |
|----------------------------------------------------------------------|--------------------|--------------|--------------|
|                                                                      | <b>2015</b>        | <b>2014</b>  | <b>2013</b>  |
| Cash and deposits in banks                                           | 1,297              | 1,285        | 1,098        |
| Securities                                                           | 269                | 207          | 233          |
| Securities borrowed or purchased under agreements to resell          | 0                  | 0            | 0            |
| Credit to the public                                                 | 2,514              | 2,363        | 2,246        |
| Credit-loss allowance                                                | 36                 | 50           | 43           |
| Credit to the public, net                                            | 2,477              | 2,313        | 2,203        |
| Credit to the government                                             | 0                  | 0            | 0            |
| Investments in companies included on an equity basis                 | 0                  | 0            | 0            |
| Buildings and equipment                                              | 21                 | 20           | 21           |
| Intangible assets and goodwill                                       | 0                  | 0            | 0            |
| Assets-derivative instruments                                        | 0                  | 0            | 0            |
| Other assets                                                         | 42                 | 52           | 51           |
| <b>Total assets</b>                                                  | <b>4,106</b>       | <b>3,876</b> | <b>3,606</b> |
| Deposits of the public                                               | 3,350              | 3,050        | 2,811        |
| Deposits of banks                                                    | 0                  | 98           | 88           |
| Deposits of the government                                           | 3                  | 3            | 3            |
| Securities loaned or sold under agreements to repurchase             | 0                  | 0            | 0            |
| Bonds and subordinated notes                                         | 137                | 138          | 138          |
| Liabilities-derivative instruments                                   | 0                  | 0            | 0            |
| Other liabilities                                                    | 224                | 234          | 216          |
| <b>Total liabilities</b>                                             | <b>3,713</b>       | <b>3,522</b> | <b>3,256</b> |
| Noncontrolling interests                                             | 0                  | 0            | 0            |
| Equity capital attributed to shareholders of the banking corporation | 392                | 354          | 350          |
| <b>Total equity capital</b>                                          | <b>392</b>         | <b>354</b>   | <b>350</b>   |

| <b>Summary consolidated profit and loss statement</b>                                                | <b>End of year</b> |             |             |
|------------------------------------------------------------------------------------------------------|--------------------|-------------|-------------|
|                                                                                                      | <b>2015</b>        | <b>2014</b> | <b>2013</b> |
| Interest income                                                                                      | 135                | 143         | 157         |
| Interest expenses                                                                                    | 6                  | 12          | 29          |
| Net interest income                                                                                  | 129                | 132         | 128         |
| Provisions for credit losses                                                                         | 1                  | 7           | 4           |
| Non-interest income                                                                                  | 117                | 112         | 114         |
| Of which: Commissions                                                                                | 111                | 107         | 111         |
| Operating and other expenses                                                                         | 180                | 190         | 179         |
| Of which: Salaries and related expenses                                                              | 92                 | 102         | 99          |
| Before-tax profit                                                                                    | 66                 | 47          | 59          |
| Provision for taxes on profit                                                                        | 27                 | 21          | 22          |
| After-tax profit                                                                                     | 39                 | 26          | 37          |
| Share of the bank in after-tax profit of companies included on equity basis, after the effect of tax | 0                  | 0           | 0           |
| Net profit before attributing to holders of noncontrolling interests                                 | 39                 | 26          | 37          |
| Net profit attributed to holders of noncontrolling interests                                         | 0                  | 0           | 0           |
| <b>Net profit attributed to shareholders of the banking corporation</b>                              | <b>39</b>          | <b>26</b>   | <b>37</b>   |
| Basic earning, in NIS per share                                                                      | 776.8              | 510.6       | 731.5       |

**Statement for 2015 - on consolidated basis**  
**Poalei Agudat Israel Bank Ltd., Main data, NIS million**  
**Taken from the annual report to 31.12.15, reported amounts**

| Balances and rates of return on financial items by indexation base on 31.12.15 - consolidated                        | Unindexed NIS. | CPI-indexed NIS | Foreign Currency (1) | Total financial items |
|----------------------------------------------------------------------------------------------------------------------|----------------|-----------------|----------------------|-----------------------|
| Balance of financial assets on balance-sheet date                                                                    | 3,680          | 363             | 41                   | 4,084                 |
| Balance of financial liabilities on balance-sheet date                                                               | 3,325          | 347             | 41                   | 3,713                 |
| Excess of financial assets over financial liabilities                                                                | 356            | 16              | 0                    | 371                   |
| Total indexation balance (incl. futures, forwards and options in term of base assets)                                | 356            | 16              | 0                    | 371                   |
| Options in the money and out of the money (net, capitalized nominal value)                                           | 0              | 0               | 0                    | 0                     |
| Rate of income on assets (%) <sup>(2)</sup>                                                                          | 4.30           | 0.73            | 0.44                 | 3.86                  |
| Rate of expenses on liabilities (%) <sup>(2)</sup>                                                                   | -0.08          | -1.30           | 0.00                 | -0.31                 |
| Interest-rate spread                                                                                                 | 4.22           | -0.58           | 0.44                 | 3.55                  |
| Interest-rate spread on the corresponding date in the previous year                                                  |                |                 |                      | 3.84                  |
| Internal rate of return on assets (%)                                                                                | 1.18           | 1.18            | 0.67                 | 1.19                  |
| Internal rate of return on liabilities (%)                                                                           | 0.58           | 1.17            | 1.20                 | 1.06                  |
| Average duration of assets (years)                                                                                   | 0.10           | 3.40            | 0.10                 | 0.40                  |
| Average duration of liabilities (years)                                                                              | 0.10           | 3.60            | 0.10                 | 0.40                  |
| <b>Additional data</b>                                                                                               |                | <b>2015</b>     | <b>2014</b>          |                       |
| <b>Credit risk</b>                                                                                                   |                |                 |                      |                       |
| Total credit risk to the public                                                                                      |                | 3,484           | 3,422                |                       |
| Of which: Total credit risk - housing loans                                                                          |                | 0               | 0                    |                       |
| Total credit risk - construction and real estate industry                                                            |                | 519             | 625                  |                       |
| Exposure to foreign financial institutions                                                                           |                | 0               | 0                    |                       |
| <b>Additional disclosure for bonds - fair value</b>                                                                  |                |                 |                      |                       |
| Total bonds                                                                                                          |                | 269             | 207                  |                       |
| Of which: mortgage-backed and asset-backed bonds                                                                     |                | 0               | 0                    |                       |
| <b>Problem credit risk</b>                                                                                           |                |                 |                      |                       |
| Credit risk, on-balance sheet: Impaired credit risk                                                                  |                | 38              | 57                   |                       |
| Subordinated credit risk                                                                                             |                | 9               | 5                    |                       |
| credit risk under special supervision                                                                                |                | 39              | 43                   |                       |
| Total off-balance sheet credit risk                                                                                  |                | 4               | 5                    |                       |
| Total problem credit risk                                                                                            |                | 90              | 111                  |                       |
| <b>Data on derivatives</b>                                                                                           |                |                 |                      |                       |
| Notional amount                                                                                                      |                | 22              | 18                   |                       |
| Gross positive fair value                                                                                            |                | 1               | 0                    |                       |
| <b>Activity with interested and related parties</b>                                                                  |                |                 |                      |                       |
| Total assets on balance-sheet date                                                                                   |                | 1,234           | 447                  |                       |
| Of which: credit to the public, net                                                                                  |                | 1               | 1                    |                       |
| Total liabilities on balance-sheet date (including quasi-capital items)                                              |                | 145             | 175                  |                       |
| <b>Branches and personnel</b>                                                                                        |                |                 |                      |                       |
| Number of employee posts in Israel, monthly average                                                                  |                | 338             | 354                  |                       |
| Number of employee posts abroad, monthly average                                                                     |                | 0               | 0                    |                       |
| Number of branches in Israel                                                                                         |                | 22              | 23                   |                       |
| Number of branches abroad                                                                                            |                | 0               | 0                    |                       |
| <b>Main financial ratios - consolidated (percent)</b>                                                                |                |                 |                      |                       |
| Total net credit to total assets                                                                                     |                | 60.34%          | 59.68%               |                       |
| Equity/balance-sheet ratio <sup>3</sup>                                                                              |                | 9.56%           | 9.13%                |                       |
| Ratio of Tier 1 capital to risk-adjusted assets                                                                      |                | 12.31%          | 11.97%               |                       |
| Ratio of total capital to risk-weighted assets                                                                       |                | 16.40%          | 16.68%               |                       |
| Return on equity (net profit/average equity ratio)                                                                   |                | 10.60%          | 7.00%                |                       |
| Problematic credit risk in respect of the public, as a percentage of total credit risk in respect of the public, net |                | 2.62%           | 3.29%                |                       |
| Non-interest income to operating expenses ratio                                                                      |                | 65.13%          | 58.97%               |                       |

<sup>(1)</sup> Including foreign-currency indexed NIS.

<sup>(2)</sup> Includes derivatives used for hedging. Refers to activity in Israel.

<sup>3</sup> Attributed to shareholders of the banking corporation



**Statement for 2015 - on consolidated basis**  
**Poalei Agudat Israel Bank Ltd., Main data, NIS million**  
**Taken from the annual report to 31.12.15, reported amounts**

|                                                                        |                                                           | The household segment | The private banking segment <sup>1</sup> | The small businesses segment | The commercial segment <sup>2</sup> | The business sector <sup>3</sup> | Financial management segment | Others and adjustments | Total      |
|------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------|------------------------------------------|------------------------------|-------------------------------------|----------------------------------|------------------------------|------------------------|------------|
| Net interest income before loan-loss provision                         | Median                                                    | 20                    | -7                                       | 4                            | 77                                  | 9                                | 27                           | 0                      | 129        |
|                                                                        | Between sectors                                           | 14                    | 12                                       | 3                            | -16                                 | -0                               | -13                          | 0                      | 0          |
| Non-interest income                                                    | Median                                                    | 39                    | 13                                       | 19                           | 36                                  | 7                                | 3                            | 0                      | 117        |
|                                                                        | Between sectors                                           | 0                     | 0                                        | 0                            | 0                                   | 0                                | 0                            | 0                      | 0          |
| <b>Total income</b>                                                    |                                                           | <b>74</b>             | <b>18</b>                                | <b>26</b>                    | <b>97</b>                           | <b>16</b>                        | <b>17</b>                    | <b>0</b>               | <b>246</b> |
| Loan-loss provision                                                    |                                                           | 3                     | 0                                        | -1                           | 1                                   | -2                               | 0                            | 0                      | 1          |
| Operating and other expenses (excluding depreciation and amortization) |                                                           | 58                    | 13                                       | 19                           | 78                                  | 12                               | 0                            | 0                      | 180        |
| Profit before taxes                                                    |                                                           | 13                    | 4                                        | 9                            | 19                                  | 5                                | 17                           | 0                      | 66         |
| Provision for taxes on profit                                          |                                                           | 6                     | 2                                        | 3                            | 7                                   | 2                                | 7                            | 0                      | 27         |
| Profit after taxes                                                     |                                                           | 7                     | 2                                        | 6                            | 11                                  | 3                                | 10                           | 0                      | 39         |
| Bank share in profit of companies included on equity basis             |                                                           | 0                     | 0                                        | 0                            | 0                                   | 0                                | 0                            | 0                      | 0          |
| Net profit                                                             | Before attributing to holders of noncontrolling interests | 7                     | 2                                        | 6                            | 11                                  | 3                                | 10                           | 0                      | 39         |
|                                                                        | Attributed to holders of noncontrolling interests         | 0                     | 0                                        | 0                            | 0                                   | 0                                | 0                            | 0                      | 0          |
|                                                                        | Attributed to shareholders of the banking corporation     | 7                     | 2                                        | 6                            | 11                                  | 3                                | 10                           | 0                      | 39         |
| Return on equity (net profit/average equity ratio)                     |                                                           | 9.90                  | 24.20                                    | 58.40                        | 7.80                                | 7.50                             | 10.10                        | 0.00                   | 10.60      |
| Average balance of assets                                              |                                                           | 694                   | 103                                      | 128                          | 1,249                               | 255                              | 1,323                        | 0                      | 3,753      |
| Average balance of liabilities                                         |                                                           | 1,145                 | 591                                      | 422                          | 568                                 | 248                              | 405                          | 0                      | 3,379      |
| Average balance of risk assets                                         |                                                           | 574                   | 78                                       | 83                           | 1,168                               | 352                              | 867                          | 0                      | 3,122      |
| Components of interest profit before loan-loss provision               | Margin earned on granting credit                          | 32                    | 4                                        | 7                            | 60                                  | 8                                | 0                            | 0                      | 111        |
|                                                                        | Margin earned on accepting deposits                       | 2                     | 1                                        | 1                            | 1                                   | 0                                | 0                            | 0                      | 5          |
|                                                                        | Other                                                     | 0                     | 0                                        | 0                            | 0                                   | 0                                | 13                           | 0                      | 13         |
| <b>Total net interest income before loan-loss provision</b>            |                                                           | <b>35</b>             | <b>5</b>                                 | <b>7</b>                     | <b>61</b>                           | <b>9</b>                         | <b>13</b>                    | <b>0</b>               | <b>129</b> |

<sup>1)</sup> Preferential banking services provided to wealthy customers.

<sup>2)</sup> Medium-sized businesses.

<sup>3)</sup> Large businesses.