

**Table 15**  
**Exposure to changes in the CPI and the exchange rate, the five banking groups, December 2014 to June 2015**

(NIS million)																		
	Leumi			Hapoalim			Discount			Mizrahi-Tefahot			First International			The five groups—total		
	2014	2015:Q1	2015:Q2	2014	2015:Q1	2015:Q2	2014	2015:Q1	2015:Q2	2014	2015:Q1	2015:Q2	2014	2015:Q1	2015:Q2	2014	2015:Q1	2015:Q2
<b>Unindexed segment</b>																		
Total assets (excluding futures transactions and options)	234,474	242,113	246,999	245,679	250,905	270,956	119,097	121,997	123,562	119,977	123,619	124,787	82,505	85,984	87,644	801,732	824,618	853,948
Total liabilities (excluding futures transactions and options)	189,987	202,410	208,003	222,142	230,333	235,790	103,351	105,774	107,690	109,086	108,880	112,115	67,877	72,306	74,854	692,443	719,703	738,452
Effect of futures transactions and options	-18,978	-17,337	-17,779	-3,487	959	-14,436	-13,678	-14,002	-12,687	-9,111	-9,686	-7,449	-10,308	-9,154	-7,341	-55,562	-49,220	-59,692
Total position in the segment <sup>c</sup>	25,509	22,366	21,217	20,050	21,531	20,730	2,068	2,221	3,185	1,780	5,053	5,223	4,320	4,524	5,449	53,727	55,695	55,804
<b>The bank's total equity<sup>a,b</sup></b>	<b>19,530</b>	<b>19,207</b>	<b>20,349</b>	<b>25,173</b>	<b>25,418</b>	<b>25,985</b>	<b>9,161</b>	<b>9,299</b>	<b>9,542</b>	<b>9,797</b>	<b>9,964</b>	<b>10,152</b>	<b>4,955</b>	<b>5,288</b>	<b>5,348</b>	<b>68,616</b>	<b>69,176</b>	<b>71,376</b>
<b>CPI-indexed segment</b>																		
Total assets (excluding futures transactions and options)	54,203	53,174	53,295	55,301	53,931	54,245	21,772	20,348	19,489	54,521	53,448	52,897	15,393	15,197	13,937	201,190	196,098	193,863
Total liabilities (excluding futures transactions and options)	54,018	53,388	50,059	43,111	43,843	44,030	16,919	15,831	15,105	38,936	39,286	38,796	13,887	13,598	13,501	166,871	165,946	161,491
Effect of futures transactions and options	-2,177	-1,398	-1,702	-5,925	-4,923	-3,787	-759	-603	-977	-7,258	-9,103	-9,057	-841	-945	-572	-16,960	-16,972	-16,095
<b>Total position in the segment</b>	<b>-1,992</b>	<b>-1,612</b>	<b>1,534</b>	<b>6,265</b>	<b>5,165</b>	<b>6,428</b>	<b>4,094</b>	<b>3,914</b>	<b>3,407</b>	<b>8,327</b>	<b>5,059</b>	<b>5,044</b>	<b>665</b>	<b>654</b>	<b>-136</b>	<b>17,359</b>	<b>13,180</b>	<b>16,277</b>
Maximum change in the CPI <sup>d</sup> (percent)	1.3	0.9	0.9	1.3	0.9	0.9	1.3	0.9	0.9	1.3	0.9	0.9	1.3	0.9	0.9	1.3	0.9	0.9
Loss as a result of the maximum change in the CPI																		
CPI increase	25	15	-	-	-	-	-	-	-	-	-	-	-	-	1	25	15	1
CPI decline	-	-	14	79	47	59	52	36	31	105	46	46	8	6	-	244	135	150
<b>Foreign currency segment<sup>e</sup></b>																		
Total assets (excluding futures transactions and options)	94,589	92,999	82,897	99,570	113,955	83,908	61,364	61,137	56,378	22,115	22,118	22,220	15,154	15,508	15,879	292,792	305,717	261,282
Total liabilities (excluding futures transactions and options)	121,081	113,931	105,102	110,124	119,197	103,304	72,802	72,578	67,092	38,798	41,055	38,844	26,333	25,497	23,757	369,138	372,258	338,099
Effect of futures transactions and options	22,505	19,385	19,803	9,412	3,964	18,223	14,437	14,605	13,664	16,373	18,789	16,509	11,149	10,099	7,913	73,876	66,842	76,112
<b>Total position in the segment<sup>c</sup></b>	<b>-3,987</b>	<b>-1,547</b>	<b>-2,402</b>	<b>-1,142</b>	<b>-1,278</b>	<b>-1,173</b>	<b>2,999</b>	<b>3,164</b>	<b>2,950</b>	<b>-310</b>	<b>-148</b>	<b>-115</b>	<b>-30</b>	<b>110</b>	<b>35</b>	<b>-2,470</b>	<b>301</b>	<b>-705</b>
Maximum change in the exchange rate <sup>f</sup> (percent)	6.6	5.3	5.3	6.6	5.3	5.3	6.6	5.3	5.3	6.6	5.3	5.3	6.6	5.3	5.3	6.6	5.3	5.3
Loss as a result of the maximum change in the exchange rate <sup>g</sup>																		
Weakening of the shekel (depreciation)	263	83	128	75	68	63	-	-	-	20	8	6	2	-	-	361	159	197
Strengthening of the shekel (appreciation)	-	-	-	-	-	-	198	169	157	-	-	-	-	6	2	198	175	159
<b>Total maximum loss to the bank's total equity as a result of indexation base risk<sup>h</sup></b>	<b>288</b>	<b>97</b>	<b>142</b>	<b>154</b>	<b>116</b>	<b>121</b>	<b>250</b>	<b>205</b>	<b>189</b>	<b>126</b>	<b>54</b>	<b>52</b>	<b>10</b>	<b>12</b>	<b>3</b>	<b>605</b>	<b>310</b>	<b>347</b>
As a percentage of the bank's total equity	1.5	0.5	0.7	0.6	0.5	0.5	2.7	2.2	2.0	1.3	0.5	0.5	0.2	0.2	0.1	0.9	0.4	0.5

<sup>a</sup> The difference between assets and liabilities in the segment, including the effect of futures transactions (excluding nonmonetary items), per Note 16 to the published financial statements.

<sup>b</sup> The bank's total equity is attributed entirely (by definition) to the unindexed segment, with the result that the nominal exposure to indexation bases occurs in the indexed segment and in the foreign currency segment.

<sup>c</sup> The difference between assets and liabilities in all segments includes the effect of futures transactions

<sup>d</sup> The maximum change in the CPI derived from monthly changes in inflation expectations during the past 7 years, assuming a normal distribution and a significance level of 99 percent.

<sup>e</sup> Including foreign-currency indexed. The calculation of the banking corporations' exposure to foreign currency in this survey is based on the positions obtained from Note 16 to the financial statements. The positions presented do not take into account taxation effects, which the banking corporations may take into account when managing the exposure.

<sup>f</sup> The maximum change in the nominal shekel-dollar exchange rate is derived from monthly changes in the exchange rate over the past 7 years, assuming a normal distribution and a significance level of 99 percent.

<sup>g</sup> The change that will occur in the bank's position as the result of a maximum change in the shekel-dollar exchange rate.

<sup>h</sup> The total maximum loss as a result of indexation base risk is obtained by simple addition of the maximum losses as a result of risks in the indexed segment and the foreign currency segment, assuming that the maximum change will occur in the direction that causes the bank the maximum loss in each segment.

SOURCE: Banking Supervision Department based on published financial statements and Central Bureau of Statistics data.